

***Health Care Finance Economics and Policy for
Nurses 3rd edition Rambur Test Bank***

SKU: 9780826172358-TEST-BANK



SPRINGER PUBLISHING

TEST BANK TO ACCOMPANY

Health Care Finance, Economics, and Policy for Nurses

A Foundational Guide

Third Edition

Betty Rambur, PhD, RN, FAAN

Copyright © 2025 Springer Publishing Company, LLC

All rights reserved.

This work is protected by U.S. copyright laws and is provided solely for the use of instructors in teaching their courses and as an aid for student learning. No part of this publication may be sold, reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior permission of Springer Publishing Company, LLC.

Springer Publishing Company, LLC
902 Carnegie Center, Suite 140
Princeton, NJ 08540
www.springerpub.com

ISBN: 978-0-8261-7227-3

The authors and the publisher of this work have made every effort to use sources believed to be reliable to provide information that is accurate and compatible with the standards generally accepted at the time of publication. The author and publisher shall not be liable for any special, consequential, or exemplary damages resulting, in whole or in part, from the readers' use of, or reliance on, the information contained in this book. The publisher has no responsibility for the persistence or accuracy of URLs for external or third-party Internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

Contents

Chapter 1: How the Money Works: Nurses, Economics, Finance, and Reimbursement.....	1
Chapter 2: A Story of Unintended Consequences: How Economic and Policy Solutions Create New Challenges	7
Chapter 3: Navigating the Health Care Landscape Shaped by the Patient Protection and Affordable Care Act of 2010, Subsequent Federal Legislation and Judicial Action	12
Chapter 4: Payment Reform: Improving Care Delivery by Changing Who Is Reimbursed, How, and for What	18
Chapter 5: How Health Care Markets Differ From Other Markets . . . and Why It Matters	23
Chapter 6: Health Care Outcomes, Cost, Safety, and Value: The Critical Role of Information in Health Care Markets, Decision-Making, and Payments	28
Chapter 7: Market Entry, Exit, and Antitrust Law— Why It Matters to Nurses.....	33
Chapter 8: What Is Ethnomics?.....	38
Chapter 9: Models to Guide Ethical Decision-Making	43
Chapter 10: Governance and Organizational Type	49
Chapter 11: Building Skills for Board Membership.....	54
Chapter 12: Applying Health Economics to Improve Health Care Through Federal and State Policy Formation	59
Chapter 13: Lessons From the COVID-19 Pandemic and a Look to the Future	64
Chapter 14: The Health Care Workforce: What Nurses Need to Know	69
Chapter 15: Reflections on Living and Leading in a Changing Nursing World.....	75

Chapter 1: How the Money Works: Nurses, Economics, Finance, and Reimbursement

Multiple Choice Questions

1. What is health economics primarily concerned with?
 - a) Obtaining funds for health care
 - b) Paying providers for services
 - c) Allocation of scarce resources
 - d) Calculating insurance premiums

Answer: c) Allocation of scarce resources

2. Which of the following best describes the concept of financing in health care?
 - a) How providers are paid for services
 - b) How funds for health services are obtained
 - c) How resources are distributed
 - d) How patients pay for care

Answer: b) How funds for health services are obtained

3. What percentage of national health expenditures does medical care receive, according to the chapter?
 - a) 50%
 - b) 70%
 - c) 90%
 - d) 100%

Answer: c) 90%

4. Which of the following is NOT considered a payer in the U.S. health care system?
 - a) Commercial insurance companies
 - b) Medicare
 - c) Medicaid
 - d) Individuals paying out-of-pocket

Answer: d) Individuals paying out-of-pocket

5. What is payer mix?
 - a) The combination of different insurance plans offered by a provider
 - b) The proportion of patients with different types of insurance

- c) The mix of services covered by different payers
- d) The combination of different payers and their proportion in a provider's overall revenue

Answer: d) The combination of different payers and their proportion in a provider's overall revenue

6. What is cost shifting in health care?
- a) Moving costs from one department to another
 - b) Charging higher rates to commercial insurance to offset lower reimbursements from other payers
 - c) Transferring costs from patients to providers
 - d) Shifting costs between different fiscal years

Answer: b) Charging higher rates to commercial insurance to offset lower reimbursements from other payers

7. Which of the following is NOT a category of health insurance coverage mentioned in the chapter?
- a) Commercial insurance
 - b) Medicare
 - c) Medicaid
 - d) Universal coverage

Answer: d) Universal coverage

8. What percentage of the federal budget was allocated to Medicare, Medicaid, CHIP, and ACA subsidies in 2022?
- a) 10%
 - b) 25%
 - c) 40%
 - d) 55%

Answer: b) 25%

9. What is the primary purpose of insurance in health care?
- a) To increase health care costs
 - b) To spread financial risk among members
 - c) To reduce the quality of care
 - d) To eliminate the need for government involvement

Answer: b) To spread financial risk among members

10. Which factor does NOT impact the cost within a risk-sharing arrangement?
- a) Size of the group

- b) Age of members
- c) Health status of members
- d) Educational level of members

Answer: d) Educational level of members

11. What is the term for the amount members pay each month to be insured?

- a) Deductible
- b) Copayment
- c) Premium
- d) Coinsurance

Answer: c) Premium

12. Which of the following best describes experience rating in health insurance?

- a) Charging the same premium for all members of a group
- b) Basing premiums on an individual's health history and risk factors
- c) Charging higher premiums for younger individuals
- d) Basing premiums solely on occupation

Answer: b) Basing premiums on an individual's health history and risk factors

13. What percentage does medical care contribute to overall health status, according to the chapter?

- a) 10%
- b) 25%
- c) 50%
- d) 75%

Answer: a) 10%

14. What is the primary purpose of insurance reserves?

- a) To pay for administrative costs
- b) To cover unexpected high numbers of claims
- c) To reimburse providers for services
- d) To pay dividends to shareholders

Answer: b) To cover unexpected high numbers of claims, which also ensures option c

15. What is the primary difference between for-profit and nonprofit insurance companies?

- a) For-profit companies do not make money.
- b) Nonprofit companies do not make money.
- c) For-profit companies return dividends to stockholders.
- d) Nonprofit companies have shareholders.

Answer: c) For-profit companies return dividends to stockholders.

Fill-in-the-Blanks

1. _____ is concerned with the question of how goods and services are produced, organized, and delivered to maximize efficiency and value.

Answer: Economics

2. The discipline that focuses on the unique aspects of health care markets is called _____.

Answer: health economics

3. In the United States, health care is financed through three main mechanisms: out-of-pocket money, _____, and insurance premiums.

Answer: taxes

4. _____ refers to the money paid to providers of care for services delivered.

Answer: Reimbursement

5. The combination of different payers any one provider may be reimbursed by and the proportion of each payer to the overall revenue of the provider is called _____.

Answer: *payer mix*

6. _____ and _____ are two major tax-funded insurance coverage programs in the United States.

Answer: Medicare, Medicaid

7. The phenomenon of higher reimbursement from commercial insurance to offset the lower reimbursement from Medicare, Medicaid, and charity care/bad debt is called _____.

Answer: *cost shifting*

8. Insurance is a form of financial _____, in which funds are redistributed from those who are not using health services to those who are.

Answer: risk sharing

9. The amount members pay each month to be insured is called a(n) _____.

Answer: *premium*

10. The _____ and _____ trends are used by insurance companies to determine the likely amount of money needed in the next year for a group insurance plan.

Answer: medical, pharmaceutical

Essay Questions

Explain the concepts of health economics, financing, and reimbursement in the U.S. health care system. In your response, be sure to:

- Define health economics and describe its importance for nurses
- Explain how health care is financed in the United States
- Describe the role of payers and the concept of payer mix
- Discuss how insurance works to spread financial risk
- Explain the phenomenon of cost shifting

Answer:

Health economics is a discipline that examines how scarce resources are allocated in health care to maximize efficiency and value. It is important for nurses to understand health economics because it shapes the organization, financing, and delivery of health care, as well as nurses' salaries and career opportunities. Health economics helps nurses make sense of the complex ways economics influences health care systems and policy decisions.

Health care in the United States is financed through multiple mechanisms:

- Out-of-pocket payments from patients
- Taxes (for government programs like Medicare and Medicaid)
- Insurance premiums

The United States has a multi-payer system, where different entities called "payers" reimburse health care providers for services. Major payers include:

- Commercial insurance companies (e.g., Blue Cross Blue Shield, Aetna)
- Government programs (Medicare, Medicaid)

Payer mix refers to the combination of different payers that reimburse a health care provider and the proportion each contributes to overall revenue. This mix is important because different payers reimburse at different rates.

Insurance works by spreading financial risk across a group of people. Members pay monthly premiums into a pool, which is then used to pay for health care services when needed. This allows the financial burden of expensive medical care to be shared among many individuals rather than borne entirely by the person receiving care.

Cost shifting occurs when health care providers charge higher rates to some payers (typically commercial insurance) to offset lower reimbursement from other payers (like Medicare and Medicaid) or to cover uncompensated care. This results in different payers being charged different amounts for the same services.

Understanding these economic concepts is crucial for nurses to navigate the health care system effectively, advocate for patients, and contribute to discussions on health care policy and resource allocation.