

CERTIFIED PROFESSIONAL IN HEALTH CARE RISK MANAGEMENT (CPHRM) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What does a binding arbitration agreement imply?**
 - A. the decision can be contested in court
 - B. the agreement is final and not subject to appeal
 - C. the parties can opt out of the decision
 - D. the case will be tried before a jury

- 2. What is the term for contractual arrangements where insurance is purchased by one insurer from another?**
 - A. Self-insurance
 - B. Reinsurance
 - C. Subsidized insurance
 - D. Aggregate insurance

- 3. What is provided in a Notice of Privacy Practices (NPP)?**
 - A. Information on the financial policies of the healthcare provider
 - B. Rights and responsibilities regarding the patient's PHI
 - C. Information about the healthcare provider's insurance
 - D. Details on the clinical procedures performed

- 4. What is the purpose of an indemnification provision?**
 - A. To increase insurance premiums
 - B. To transfer liability between parties
 - C. To limit coverage for certain claims
 - D. To solidify risk management protocols

- 5. Single-use devices (SUDs) are meant for what purpose?**
 - A. Devices that can be reused indefinitely
 - B. Equipment intended for single use only
 - C. Tools that are reprocessed for reuse
 - D. Items subject to strict sterilization protocols

- 6. Which factor is NOT allowed to affect the level of care provided during a medical screening exam?**
- A. Patient race
 - B. Emergency room wait times
 - C. Payment status
 - D. National origin
- 7. What can be an indirect consequence of vicarious liability for organizations?**
- A. Increased employee morale
 - B. Reduced operational costs
 - C. Potential financial loss due to lawsuits
 - D. Enhanced public relations
- 8. What is a legal characteristic of vicarious liability?**
- A. Liability based on personal fault
 - B. Liability imposed on third parties
 - C. Indirect legal responsibility for others' actions
 - D. Liability solely for personal actions
- 9. What is typically required for a complaint made by a patient to be formally considered?**
- A. Medical documentation
 - B. A patient signature
 - C. A formal process for notification of rights
 - D. Witness statements
- 10. What is a significant protection offered during the peer review process?**
- A. Exemption from all forms of legal penalties
 - B. Limited protection from discovery in civil actions
 - C. Automatic continuation of care for patients
 - D. Funding for malpractice defenses

Answers

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1. B
2. B
3. B
4. B
5. B
6. B
7. C
8. C
9. C
10. B

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Explanations

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1. What does a binding arbitration agreement imply?

- A. the decision can be contested in court
- B. the agreement is final and not subject to appeal**
- C. the parties can opt out of the decision
- D. the case will be tried before a jury

A binding arbitration agreement implies that the decision made by the arbitrator is final and not subject to appeal. This means that once the arbitrator reaches a conclusion and issues an award, the parties involved cannot challenge that decision in a court of law. Binding arbitration is designed to provide a speedy and efficient resolution of disputes outside the traditional court system, and it enforces the finality of the arbitrator's ruling, reinforcing the intention of the parties to resolve their differences quickly and decisively. In this context, the concept of finality is crucial, as it allows parties to have closure and move forward without the uncertainty of potentially protracted legal battles. The idea is that both parties have voluntarily agreed to this process, accepting the arbitration outcome as conclusive. The other alternatives involve elements of litigation and flexibility regarding decisions, which are not characteristic of binding arbitration. For instance, the ability to contest a decision or opt out of it contradicts the principles of binding arbitration, where the enforceability of the arbitrator's decisions is paramount.

2. What is the term for contractual arrangements where insurance is purchased by one insurer from another?

- A. Self-insurance
- B. Reinsurance**
- C. Subsidized insurance
- D. Aggregate insurance

The term that describes contractual arrangements where one insurer purchases insurance from another is reinsurance. This practice allows insurance companies to manage risk by transferring a portion of their liabilities to another insurer, known as the reinsurer. Reinsurance helps primary insurers to stabilize their loss experience and protect against catastrophic events, which can threaten their financial stability. Reinsurers provide insurance coverage to other insurers, thus sharing the liability associated with the policies they underwrite. This enables primary insurers to take on more risk, knowing that they have a safety net in place through their reinsurance agreements. The use of reinsurance is a fundamental aspect of the insurance industry, as it promotes greater risk management and helps ensure that insurers can meet their obligations to policyholders even in the face of large claims. Other terms listed, such as self-insurance, refer to an entity's decision to set aside funds to cover potential losses rather than purchasing insurance. Subsidized insurance typically involves financial assistance to lower premium costs but does not relate to the practice of one insurer covering another. Aggregate insurance is concerned with covering a group of risks or losses, yet it doesn't capture the concept of purchasing insurance between insurers.

3. What is provided in a Notice of Privacy Practices (NPP)?

- A. Information on the financial policies of the healthcare provider
- B. Rights and responsibilities regarding the patient's PHI**
- C. Information about the healthcare provider's insurance
- D. Details on the clinical procedures performed

A Notice of Privacy Practices (NPP) is a crucial document designed to inform patients about their rights concerning Protected Health Information (PHI), as well as the healthcare provider's responsibilities in safeguarding that information. This document outlines how a patient's PHI can be used and disclosed, the patient's rights to access and control their own health information, and the provider's legal obligations to protect that information. The focus is on ensuring that patients understand their rights to privacy and confidentiality regarding their health data, such as the right to request amendments to their records, the right to receive an accounting of disclosures, and the right to restrict certain uses and disclosures. This comprehensive information empowers patients to make informed decisions about their care and how their information is handled. In contrast, while financial policies, insurance details, and clinical procedures are important aspects of healthcare services, they do not pertain directly to the privacy practices and rights surrounding PHI, which are the primary focus of the NPP. This underscores the significance of understanding and protecting patient information in healthcare settings.

4. What is the purpose of an indemnification provision?

- A. To increase insurance premiums
- B. To transfer liability between parties**
- C. To limit coverage for certain claims
- D. To solidify risk management protocols

An indemnification provision serves the purpose of transferring liability between parties. This legal agreement stipulates that one party agrees to compensate another for certain damages or losses, effectively shifting the financial burden. In the context of risk management, this is particularly crucial as it allows organizations to define and allocate responsibility for risks that may arise during the course of a business relationship or contract. By establishing clear terms for liability, the indemnification provision helps that parties understand their responsibilities and potentially reduces litigation risks, contributing to better risk management overall.

5. Single-use devices (SUDs) are meant for what purpose?

- A. Devices that can be reused indefinitely
- B. Equipment intended for single use only**
- C. Tools that are reprocessed for reuse
- D. Items subject to strict sterilization protocols

Single-use devices (SUDs) are specifically designed for one-time use and are intended to be disposed of after their initial application. This classification aims to prevent cross-contamination and ensure patient safety, particularly in medical settings where the risk of infection must be minimized. SUDs eliminate the need for cleaning, sterilization, or reprocessing, which can introduce variables that might compromise patient care. While some devices might undergo reprocessing for reuse, this does not apply to SUDs, as their core purpose is to be used only once. The focus on disposal after a single use is what distinguishes SUDs from other types of medical equipment that may be intended for multiple uses or require strict sterilization protocols before reuse. By ensuring that devices are used only once, healthcare providers can maintain stringent hygiene standards and limit the potential for adverse events related to reused devices.

6. Which factor is NOT allowed to affect the level of care provided during a medical screening exam?

- A. Patient race
- B. Emergency room wait times**
- C. Payment status
- D. National origin

The factor that is not allowed to affect the level of care during a medical screening exam is the emergency room wait times. In health care, particularly during emergency medical situations, the level of care provided should be based solely on the medical needs of the patient rather than external factors like wait times. The philosophy behind this is rooted in the principle of triage, where patients are prioritized based on the severity of their conditions rather than how long they have been waiting. The Emergency Medical Treatment and Labor Act (EMTALA) mandates that all patients seeking emergency care must receive a medical screening examination regardless of their payment status or other characteristics. This act ensures that all individuals are treated fairly and affords them the necessary medical attention based on clinical indications rather than administrative concerns or logistical issues such as wait times. In contrast, patient race, payment status, and national origin should not influence the medical examination and care provided; however, they do present complexities in healthcare systems that can unwittingly introduce bias in how care is accessed or delivered. The intent behind these guidelines is to ensure equitable treatment and uphold ethical standards within the healthcare system.

7. What can be an indirect consequence of vicarious liability for organizations?

- A. Increased employee morale
- B. Reduced operational costs
- C. Potential financial loss due to lawsuits**
- D. Enhanced public relations

Organizations often face vicarious liability when they are held responsible for the actions of their employees performed within the scope of their employment. This principle means that if an employee commits a wrongful act while executing their job duties, the organization may be liable for any resulting damages or legal claims. One significant indirect consequence of vicarious liability is the potential financial loss due to lawsuits. When an organization is held liable, it may face costly legal fees, settlement costs, or damage awards that can significantly impact its finances. This potential for financial liabilities serves as a compelling reason for organizations to invest in robust risk management strategies, employee training, and compliance measures to mitigate risks and protect against such lawsuits. While aspects like employee morale, operational costs, or public relations may be influenced in various ways by organizational practices, these outcomes do not directly stem from the principle of vicarious liability in the context of legal consequences. In contrast, the influence of vicarious liability leading to financial repercussions is a direct and clear consequence that organizations must be vigilant about.

8. What is a legal characteristic of vicarious liability?

- A. Liability based on personal fault
- B. Liability imposed on third parties
- C. Indirect legal responsibility for others' actions**
- D. Liability solely for personal actions

The concept of vicarious liability is centered around the principle that one party can be held legally responsible for the actions of another, typically in a context where there is a particular relationship between the two, such as an employer-employee relationship. The essence of vicarious liability is that it does not require the party being held liable to have directly committed any wrongdoing or fault; rather, their liability arises from their relationship to the individual who performed the act in question. The correct answer highlights this indirect responsibility, where the law holds individuals or entities accountable for the negligent or harmful acts of others, even when they themselves did not engage in any fault. This legal framework aims to ensure that victims can secure compensation from parties who have the means to pay, thus reinforcing the accountability of those in supervisory roles. In contrast, liability based on personal fault would suggest that the responsible party must have themselves committed an act of wrongdoing, which is not applicable in cases of vicarious liability. Additionally, while liability imposed on third parties can occur in various legal contexts, it does not specifically define vicarious liability. Lastly, liability solely for personal actions does not capture the foundational principle of vicarious liability, which hinges on the indirect responsibility that arises from a relationship between

9. What is typically required for a complaint made by a patient to be formally considered?

- A. Medical documentation
- B. A patient signature
- C. A formal process for notification of rights**
- D. Witness statements

For a complaint made by a patient to be formally considered, a formal process for notification of rights is typically required. This process ensures that patients are aware of their rights to express concerns or grievances regarding the care they receive. It serves as an essential framework that guides patients on how to voice their complaints and what to expect during the process, promoting transparency and accountability within the healthcare setting. While medical documentation, a patient signature, and witness statements can support a complaint, they are not universally mandated for a patient's complaint to be taken seriously. Focusing on a structured process for notification and understanding of rights empowers patients, facilitates effective communication, and fosters an environment where grievances can be resolved appropriately and respectfully. This approach is vital in enhancing patient satisfaction and trust in the healthcare system.

10. What is a significant protection offered during the peer review process?

- A. Exemption from all forms of legal penalties
- B. Limited protection from discovery in civil actions**
- C. Automatic continuation of care for patients
- D. Funding for malpractice defenses

The peer review process is designed to evaluate the performance of healthcare practitioners and improve the quality of care provided to patients. A significant protection during this process is limited protection from discovery in civil actions. This means that the findings, discussions, and records generated during peer review can be kept confidential, which encourages open and honest communication among healthcare professionals. This confidentiality is crucial because it allows practitioners to discuss cases without fear of legal repercussions, which can ultimately lead to improvements in patient care and safety. The limited protection from discovery helps to prevent the misuse of peer review materials in lawsuits, thereby safeguarding the integrity of the peer review system. This supportive framework allows healthcare professionals to engage in constructive criticism and self-assessment in a manner that promotes learning and quality improvement within the healthcare facility. In contrast, other options do not accurately reflect the protections typically afforded during peer review. For example, there is no exemption from all legal penalties, as this would undermine accountability for serious wrongdoing. Similarly, the peer review process does not guarantee automatic continuation of care for patients, nor does it provide funding for malpractice defenses. These aspects are not intrinsic to the peer review framework, which is fundamentally oriented toward enhancing healthcare quality rather than financial or legal protections for individuals.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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