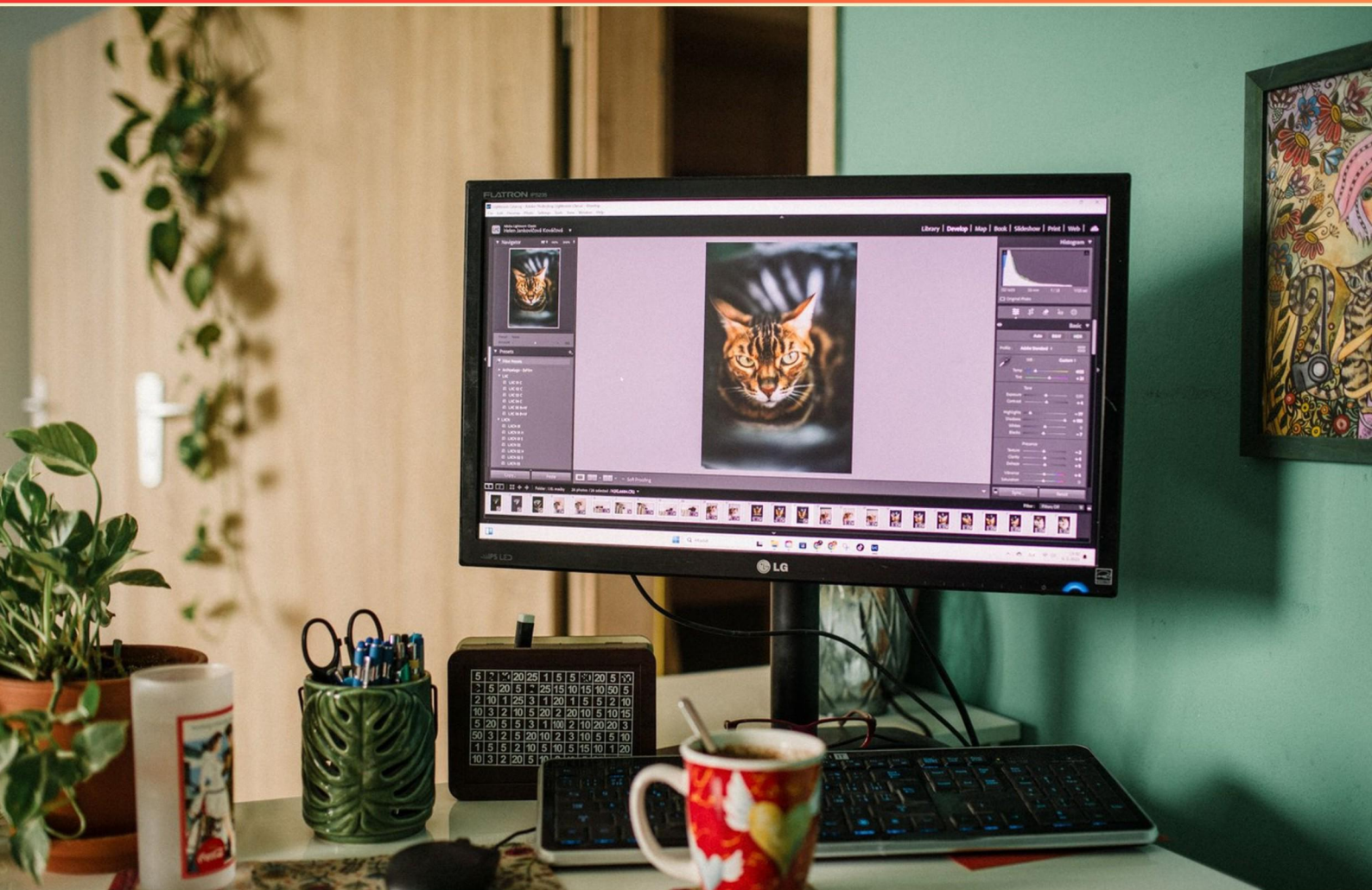


CMS FUNDAMENTALS PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
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 is the purpose of the Medicare Beneficiary Identifier (MBI)?**
 - A. A code used to authorize international travel.
 - B. A filing number used by administrators.
 - C. An identifier used by providers to track equipment.
 - D. A unique beneficiary identifier used in claims processing to protect privacy and replace the older HICN.
- 2. Cost sharing in Medicare includes which components?**
 - A. Premiums only
 - B. Deductibles and coinsurance
 - C. Copayments only
 - D. Deductibles, coinsurance, and copayments
- 3. Which term is defined as protecting client rights and safety?**
 - A. Advocacy
 - B. Autonomy
 - C. Beneficence
 - D. Veracity
- 4. What is a DRG in Medicare payment terminology?**
 - A. Diagnosis-Related Code
 - B. Diagnosis-Related Group; a classification used to determine hospital payment for inpatient stays under IPPS.
 - C. Drug Reimbursement Group
 - D. Dynamic Reimbursement Grid
- 5. What is the role of CMS's Program Integrity activities?**
 - A. To educate the public about health insurance.
 - B. To prevent fraud, waste, and abuse and ensure proper payment of claims through audits, investigations, and enforcement.
 - C. To manage patient appointment scheduling.
 - D. To issue clinical guidelines.

- 6. Which term represents the client right to make healthcare decisions?**
- A. Justice
 - B. Autonomy
 - C. Fidelity
 - D. Confidentiality
- 7. Which term is defined as barrier protection such as gowns, gloves, masks, and eye protection?**
- A. Hand Hygiene
 - B. Medical Asepsis
 - C. Airborne Precautions
 - D. Personal Protective Equipment
- 8. What is the homebound requirement for Medicare home health coverage?**
- A. Leaving home is easy and does not require assistance.
 - B. The patient must be considered homebound; leaving home is difficult and typically requires assistance or special equipment.
 - C. Home health services do not consider homebound status.
 - D. The patient may be homebound or not; homebound status is irrelevant.
- 9. Inanimate objects that transmit microorganisms are called what?**
- A. Biohazard Disposal
 - B. Sharps Safety
 - C. Fomites
 - D. Break in Sterility
- 10. Which term describes tapping body surfaces to assess density?**
- A. Inspection
 - B. Auscultation
 - C. Percussion
 - D. Palpation

Answers

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

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Explanations

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1. What is the purpose of the Medicare Beneficiary Identifier (MBI)?

- A. A code used to authorize international travel.
- B. A filing number used by administrators.
- C. An identifier used by providers to track equipment.
- D. A unique beneficiary identifier used in claims processing to protect privacy and replace the older HICN.**

The main idea is how Medicare identifies a patient in claims processing and why a privacy-focused identifier was created. The Medicare Beneficiary Identifier is a unique code assigned to each beneficiary that providers and Medicare use to link services to the correct person. It was designed to replace the older Health Insurance Claim Number to protect privacy and reduce fraud. In claims processing, this identifier helps determine eligibility, coverage, and proper payment, keeping beneficiary records accurate across many providers and systems. The other options don't fit this use—they describe purposes like international travel authorization, a general administrative filing number, or equipment tracking, none of which align with how Medicare identifies and processes claims for beneficiaries.

2. Cost sharing in Medicare includes which components?

- A. Premiums only
- B. Deductibles and coinsurance
- C. Copayments only
- D. Deductibles, coinsurance, and copayments**

Cost sharing in Medicare refers to the out-of-pocket amounts you pay for covered services. It includes deductibles (the amount you pay before coverage begins for a benefit period or year), coinsurance (a percentage of costs you pay after meeting the deductible), and copayments (a fixed amount for specific services). Premiums, while necessary to maintain coverage, are separate ongoing payments and not considered cost sharing. So the components that count as cost sharing are deductibles, coinsurance, and copayments.

3. Which term is defined as protecting client rights and safety?

- A. Advocacy**
- B. Autonomy
- C. Beneficence
- D. Veracity

Protecting client rights and safety is about advocacy. Advocacy means actively supporting and defending clients, ensuring their rights are respected, voices are heard, and their safety is safeguarded within care systems. It involves helping them understand options, obtaining informed consent, protecting confidentiality, and connecting them with resources if risks arise. Autonomy is about the client's right to make their own decisions, which is related but not the act of safeguarding rights and safety. Beneficence focuses on promoting the client's well-being, but not specifically the protective role. Veracity centers on truth-telling, which is important for trust, but it doesn't inherently address protection of rights and safety.

4. What is a DRG in Medicare payment terminology?

- A. Diagnosis-Related Code
- B. Diagnosis-Related Group; a classification used to determine hospital payment for inpatient stays under IPPS.**
- C. Drug Reimbursement Group
- D. Dynamic Reimbursement Grid

DRGs are a classification system used in Medicare to group inpatient stays by similar clinical characteristics and expected resource use, so payments can be standardized. In the Inpatient Prospective Payment System (IPPS), each DRG has a fixed payment rate, and hospitals are paid that set amount for an admission based on the DRG category, rather than charging for each individual service. This setup aims to standardize payments across hospitals while providing incentives for efficiency, with adjustments for factors such as case mix, teaching status, and geographic location. The term refers specifically to a Diagnosis-Related Group, which is used to determine how much hospitals get paid for inpatient stays. Other terms like a diagnosis-related code, a drug reimbursement group, or a dynamic reimbursement grid do not reflect Medicare's payment methodology.

5. What is the role of CMS's Program Integrity activities?

- A. To educate the public about health insurance.
- B. To prevent fraud, waste, and abuse and ensure proper payment of claims through audits, investigations, and enforcement.**
- C. To manage patient appointment scheduling.
- D. To issue clinical guidelines.

Program Integrity is about safeguarding CMS program funds by preventing fraud, waste, and abuse and making sure claims are paid correctly. It uses data analysis to spot risky billing patterns, conducts audits and medical reviews, launches investigations, and takes enforcement actions when improper payments are found. This combination protects the integrity of Medicare and Medicaid, helps recover overpayments, and ensures that program resources go to appropriate, necessary services. While educating the public, managing appointment scheduling, or issuing clinical guidelines are important in healthcare, they are not the primary focus of Program Integrity.

6. Which term represents the client right to make healthcare decisions?

- A. Justice
- B. Autonomy**
- C. Fidelity
- D. Confidentiality

Autonomy is the patient's right to make decisions about their own health care. This means patients can choose or refuse treatments and provide or withhold consent after being informed about options, risks, and benefits. Respecting autonomy involves honoring the individual's values and preferences, as long as they have the capacity to decide. Justice, fidelity, and confidentiality describe other important ethical obligations. Justice is about fairness in how care and resources are distributed. Fidelity means being loyal and keeping promises to patients, fostering trust. Confidentiality protects a patient's private health information. While all are essential, autonomy specifically captures the individual's control over their own medical choices.

7. Which term is defined as barrier protection such as gowns, gloves, masks, and eye protection?

- A. Hand Hygiene
- B. Medical Asepsis
- C. Airborne Precautions
- D. Personal Protective Equipment**

Barrier protection comes from Personal Protective Equipment, which includes gowns, gloves, masks, and eye protection. These items create a physical barrier between the caregiver and potential hazards such as blood, bodily fluids, or respiratory droplets, reducing the risk of transmission during patient care. Hand hygiene is essential for reducing germ spread but it is not barrier protection itself. Medical asepsis refers to the clean techniques used to minimize microorganisms, whereas PPE provides the protective barrier worn during procedures. Airborne precautions describe how to prevent spread of infections through the air and may involve PPE, but the term defined by barrier protection specifically refers to the equipment worn, not the precautionary measures. In short, the barrier protection described is Personal Protective Equipment.

8. What is the homebound requirement for Medicare home health coverage?

- A. Leaving home is easy and does not require assistance.
- B. The patient must be considered homebound; leaving home is difficult and typically requires assistance or special equipment.**
- C. Home health services do not consider homebound status.
- D. The patient may be homebound or not; homebound status is irrelevant.

Medicare home health coverage is for people who are homebound. Being homebound means leaving the home is difficult and typically requires assistance from another person or the use of special equipment or transportation. The person may leave the home occasionally for medical appointments or essential visits, but overall the homebound status is what makes home health services eligible. That's why this option is the best: it captures the requirement that leaving home is challenging and usually requires help or special tools. Choices that say leaving home is easy, that homebound status isn't considered, or that it doesn't matter would not meet Medicare's eligibility rule.

9. Inanimate objects that transmit microorganisms are called what?

- A. Biohazard Disposal
- B. Sharps Safety
- C. Fomites**
- D. Break in Sterility

Fomites are inanimate objects that can harbor and transfer microorganisms. They become contaminated when touched by an infected person or by material containing pathogens. If you touch a contaminated surface and then touch your face or a sterile item, microbes can move from the surface to you, enabling transmission. This is why cleaning and disinfection of frequently touched objects—doorknobs, countertops, medical instruments, clothing—plays a critical role in preventing infections. The other terms describe different aspects of safety and infection control but do not name the objects that carry microbes: biohazard disposal is about how contaminated wastes are discarded, sharps safety covers the handling of needles and other sharp devices to avoid injury, and a break in sterility refers to a lapse in keeping things sterile during a procedure.

10. Which term describes tapping body surfaces to assess density?

- A. Inspection
- B. Auscultation
- C. Percussion**
- D. Palpation

Percussion involves tapping on the body surface to assess density. The taps create sounds that reflect what lies beneath: air-filled areas like the lungs yield a more resonant sound, while solid structures or fluids produce duller or flatter tones. By listening to these sounds and noting where they change, you can estimate borders, detect fluid versus solid masses, and identify abnormal collections. Indirect percussion—striking with the middle finger of one hand while the other finger acts as a fulcrum on the surface—is the typical technique. This differs from inspection (visual examination), palpation (touch to feel texture and tenderness), and auscultation (listening with a stethoscope), which do not rely on tapping to judge density.

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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:

<https://cmsfundamentals.examzify.com>

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

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