

ECONOMICS OF HEALTH CARE PRACTICE TEST (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. Why is understanding health care economics important for practitioners?**
 - A. It enhances their negotiation skills with suppliers
 - B. It allows for better financial management of health services
 - C. It ensures compliance with legal standards
 - D. It improves their knowledge of disease management
- 2. What does "health care access" refer to?**
 - A. The ability to obtain necessary medical services without barriers
 - B. The availability of hospitals in a geographic area
 - C. The affordability of medical services for individuals
 - D. The efficiency of medical service delivery systems
- 3. What is the core idea behind utilitarianism in health care economics?**
 - A. Maximizing individual rights in health services
 - B. Maximizing overall happiness or welfare
 - C. Ensuring equality in health resource distribution
 - D. Focusing solely on cost-effectiveness of treatments
- 4. What does "out-of-pocket spending" refer to in health care?**
 - A. Expenses covered by health insurance
 - B. Expenses patients pay directly for health care services
 - C. Government subsidies for health care
 - D. Costs borne by health care providers
- 5. What social change may occur after retirement?**
 - A. Increased contact with work colleagues
 - B. More time spent on social activities
 - C. Less time with family and friends
 - D. Improved social skills
- 6. What is meant by "physician-induced demand"?**
 - A. Patients seek services voluntarily due to physician recommendations
 - B. Providers influence patients to consume more services than needed
 - C. Consumers select unnecessary treatments based on marketing
 - D. Insurance plans dictate the amount of care provided

- 7. What does egocentric thinking refer to?**
- A. Seeing things from a collective viewpoint
 - B. Seeing things only from your viewpoint
 - C. Understanding multiple perspectives
 - D. Thinking about social obligations
- 8. Which of the following best defines "social determinants of health"?**
- A. Clinical factors influencing health outcomes
 - B. Social and economic conditions affecting health
 - C. Government policies on healthcare access
 - D. Personal choices regarding health behaviors
- 9. What term is commonly used to refer to individuals who share the same parents?**
- A. Cousins
 - B. Siblings
 - C. Aunts and Uncles
 - D. Friends
- 10. Which fine motor skill is characteristic of a 2 year old?**
- A. Can tie shoelaces
 - B. Use a fork
 - C. Make marks with a crayon
 - D. Write their name

Answers

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

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Explanations

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1. Why is understanding health care economics important for practitioners?

- A. It enhances their negotiation skills with suppliers
- B. It allows for better financial management of health services**
- C. It ensures compliance with legal standards
- D. It improves their knowledge of disease management

Understanding health care economics is essential for practitioners primarily because it equips them with the knowledge needed for effective financial management of health services. This understanding enables practitioners to analyze costs, evaluate the financial implications of their decisions, and make informed choices that can enhance the efficiency and sustainability of their practice. In an environment where resources are often limited, being adept at managing finances directly impacts the quality and accessibility of care provided to patients. By grasping the principles of health care economics, practitioners can engage in budget planning, resource allocation, and strategic decision-making that align with both clinical objectives and economic realities. This knowledge also enables them to assess the value of different treatments and interventions, ensuring that they deliver the best possible care while maintaining financial viability. While negotiation skills with suppliers, compliance with legal standards, and knowledge of disease management are certainly important aspects of health care practice, they do not encapsulate the central role that economic understanding plays in optimizing the financial health of health services. Financial management directly influences the ability of a practice to operate effectively and serve patients' needs, making it a critical area of focus for practitioners.

2. What does "health care access" refer to?

- A. The ability to obtain necessary medical services without barriers**
- B. The availability of hospitals in a geographic area
- C. The affordability of medical services for individuals
- D. The efficiency of medical service delivery systems

"Health care access" emphasizes the ability of individuals to obtain necessary medical services without facing barriers. This concept encompasses a variety of factors, including availability, affordability, transportation, and the cultural competence of providers, but fundamentally focuses on the individual's capability to receive appropriate care when needed. For instance, simply having hospitals in a geographic area does not guarantee that residents can utilize these facilities due to transportation issues or long waiting times, which are barriers to access. Similarly, while affordability is a crucial aspect of health care, access refers more broadly to the experience of receiving care rather than just the financial aspect. Efficiency in delivery systems is important for the overall performance of health care, but it does not directly speak to an individual's ability to access care when required. Thus, the most accurate definition pertaining to health care access is centered on the removal of barriers to secure necessary medical services.

3. What is the core idea behind utilitarianism in health care economics?

- A. Maximizing individual rights in health services
- B. Maximizing overall happiness or welfare**
- C. Ensuring equality in health resource distribution
- D. Focusing solely on cost-effectiveness of treatments

The core idea behind utilitarianism in health care economics is centered on maximizing overall happiness or welfare. This ethical theory posits that the best action or policy is the one that results in the greatest good for the greatest number of people. In the context of health care, this translates to allocating resources, making policy decisions, and designing health interventions in a manner that enhances the well-being of the population as a whole. By focusing on outcomes that benefit the majority, decisions are driven by the potential to maximize positive health outcomes and quality of life across the entire community rather than favoring individual preferences or rights. Utilitarianism prioritizes collective welfare, which can often lead to trade-offs when considering fairness or equality, as the goal may not be to ensure every individual receives the same level of care, but rather that the overall health benefits of the population are optimized. This approach can impact health care policies and funding decisions, as investments may be directed toward interventions that yield the most significant improvements for the most people. In contrast, choices that emphasize individual rights, equality in resource distribution, or cost-effectiveness might align with other ethical frameworks or objectives but do not encapsulate the essence of utilitarianism as it pertains to maximizing societal well-being overall.

4. What does "out-of-pocket spending" refer to in health care?

- A. Expenses covered by health insurance
- B. Expenses patients pay directly for health care services**
- C. Government subsidies for health care
- D. Costs borne by health care providers

Out-of-pocket spending in health care specifically refers to the expenses that patients must pay directly for health care services, which includes costs not covered by their health insurance. This can encompass a range of costs such as deductibles, copayments, and any charges for services that the insurance does not fully cover. Understanding this concept is crucial, as it highlights the financial burden that patients can face despite having health insurance coverage, which may only pay for a portion of their medical expenses. This distinction is important in health economics because it affects patients' access to care, their ability to seek timely treatment, and ultimately their health outcomes. It also plays a significant role in discussions about health policy and reform, where efforts may focus on reducing out-of-pocket costs to improve affordability and access to necessary health services.

5. What social change may occur after retirement?

- A. Increased contact with work colleagues
- B. More time spent on social activities**
- C. Less time with family and friends
- D. Improved social skills

The choice indicating that more time is spent on social activities aligns with common observations regarding life after retirement. Upon retiring, individuals often find themselves with increased free time, allowing them greater opportunities to engage in various social activities that they may not have had time for while working. This could include participating in community events, joining clubs or organizations, volunteering, or spending more time with friends and family, leading to enhanced social interactions and connections. This transition can significantly benefit quality of life, as social engagement is linked to improved mental health and overall well-being. The ability to pursue hobbies, travel, or simply relax and enjoy leisure activities contributes positively to one's social life and personal fulfillment during retirement. Thus, this option accurately reflects a typical change that can occur in the social dynamics of an individual after they retire.

6. What is meant by "physician-induced demand"?

- A. Patients seek services voluntarily due to physician recommendations
- B. Providers influence patients to consume more services than needed**
- C. Consumers select unnecessary treatments based on marketing
- D. Insurance plans dictate the amount of care provided

Physician-induced demand refers to the phenomenon where healthcare providers, particularly physicians, can influence patients to seek more medical services than may be clinically necessary. This concept arises from the nature of the physician-patient relationship, where physicians have greater knowledge about medical treatments and services compared to their patients. As a result, physicians may recommend additional tests, procedures, or referrals that are not strictly essential for the patient's health. This situation can occur for several reasons. For one, the financial structure of healthcare reimbursement may incentivize providers to perform more services, even if they aren't required. Additionally, physicians may genuinely believe that more care will benefit their patients, or they may be acting out of a desire to mitigate any risk of being perceived as inadequate caregivers if they do not offer what could be seen as comprehensive treatment. An understanding of physician-induced demand is important because it highlights the potential for overutilization of healthcare resources, which can lead to increased healthcare costs and unnecessary patient exposure to procedures that may carry risks without clear benefits. This concept emphasizes the need for effective regulation, patient education, and incentive structures that encourage appropriate levels of care without unnecessary escalation.

7. What does egocentric thinking refer to?

- A. Seeing things from a collective viewpoint
- B. Seeing things only from your viewpoint**
- C. Understanding multiple perspectives
- D. Thinking about social obligations

Egocentric thinking refers to the tendency of individuals to view situations solely from their own personal perspective, often without considering the viewpoints or experiences of others. This type of thinking focuses on one's own needs, feelings, and opinions while neglecting the broader context or the perspectives of those around them. In health care economics, egocentric thinking might manifest in a healthcare professional prioritizing their knowledge and beliefs about patient care without taking into account the diverse needs and experiences of patients. This can lead to a lack of empathy or understanding, which is crucial in delivering quality care. The ability to see things only from one's viewpoint limits one's ability to appreciate the complexities involved in health care delivery and could lead to suboptimal outcomes. The other options reflect broader, more inclusive ways of thinking that encompass the perspectives of others. Seeing things from a collective viewpoint, understanding multiple perspectives, and thinking about social obligations all suggest a consideration beyond one's immediate personal context, which contrasts with the narrow focus of egocentric thinking.

8. Which of the following best defines "social determinants of health"?

- A. Clinical factors influencing health outcomes
- B. Social and economic conditions affecting health**
- C. Government policies on healthcare access
- D. Personal choices regarding health behaviors

The concept of "social determinants of health" refers to the various social and economic conditions that influence individuals' health status and outcomes. This includes a wide range of factors such as income level, education, employment, social support, and cultural influences. These determinants play a critical role in shaping the contexts within which individuals live, work, and interact, significantly affecting health disparities and overall community health. By focusing on social and economic conditions affecting health, this definition highlights the importance of broader systemic factors beyond individual health behaviors or clinical interventions. Access to safe housing, nutritious food, education, and health services, as well as social environments that promote health, are all part of what determines the health of populations. Thus, addressing these social determinants is essential for improving health outcomes and achieving health equity across different communities.

9. What term is commonly used to refer to individuals who share the same parents?

- A. Cousins
- B. Siblings**
- C. Aunts and Uncles
- D. Friends

The term that is commonly used to refer to individuals who share the same parents is "siblings." Siblings are brothers and sisters who grow up in the same household and have a direct familial relationship through their parents. This term specifically denotes the connection between children who have the same mother and/or father, making it distinct from other familial or social relationships. Cousins refer to the children of one's aunts and uncles and do not share the same parents, while aunts and uncles are the siblings of one's parents, representing another generational relationship. Friends are individuals who may share social or personal connections but do not have a familial bond. Therefore, the term "siblings" accurately captures the essence of individuals who share parental lineage.

10. Which fine motor skill is characteristic of a 2 year old?

- A. Can tie shoelaces
- B. Use a fork
- C. Make marks with a crayon**
- D. Write their name

The ability to make marks with a crayon is characteristic of a 2-year-old child. At this age, children are developing their fine motor skills, which involve the use of small muscles in the hands and fingers. Making marks with a crayon shows that a child is beginning to have some control over these muscles, allowing them to engage in activities like drawing or scribbling. This marks an important developmental stage where children start to express themselves creatively, even if their marks are random at this point. Other options, such as tying shoelaces, using a fork proficiently, or writing their name, typically require more advanced fine motor skills and coordination, which usually develop later, around ages 3 to 5. Therefore, making marks with a crayon aligns with the expected developmental milestones for a 2-year-old, making it the correct answer.

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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://healthcarecon.examzify.com>

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

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