

Fellow of the American College of Healthcare Executives (FACHE) Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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 the purpose of any Health Care Organization (HCO) primarily focus on?**
 - A. Providing financial benefits to staff**
 - B. Delivering care to individual patients**
 - C. Enhancing corporate profitability**
 - D. Expanding ownership structures**

- 2. Which term best describes the ongoing quality program required of Community Health Centers?**
 - A. Quality Assurance**
 - B. Progressive Standards**
 - C. Performance Improvement**
 - D. Service Optimization**

- 3. What is the goal of population health as described in national health objectives?**
 - A. Minimizing healthcare costs**
 - B. Defining population based on social media usage**
 - C. Measuring health and directing resources for improvement**
 - D. Creating revenue frameworks for insurance**

- 4. Which model is often used to describe the stages of team development?**
 - A. Tuckman's model**
 - B. Maslow's hierarchy of needs**
 - C. Herzberg's motivation theory**
 - D. Lewin's change model**

- 5. Which term describes caregivers with specific legal authority in healthcare?**
 - A. Volunteers**
 - B. Licensed Independent Practitioners (LIPs)**
 - C. Support Staff**
 - D. Administrative Practitioners**

- 6. What is the role of a Chief Financial Officer (CFO) in a healthcare organization?**
- A. To oversee financial planning, management, and reporting**
 - B. To manage patient relations and care quality**
 - C. To direct the marketing strategies of the organization**
 - D. To supervise clinical operations and staff**
- 7. Which term describes the formal structure composed of representatives prioritizing opportunities for improvement in healthcare?**
- A. Performance Improvement Council (PIC)**
 - B. Quality Control Board**
 - C. Healthcare Advisory Board**
 - D. Management Committee**
- 8. Why is strategic human resource management important in healthcare?**
- A. It focuses solely on employee payroll solutions**
 - B. It aligns human resources with the organization's goals**
 - C. It is mainly concerned with workplace safety**
 - D. It manages external contractor relationships**
- 9. What is the primary focus of analyzing retention rates?**
- A. The average tenure of employees**
 - B. The collective experience of the workforce**
 - C. The ability to predict employee satisfaction**
 - D. The overall effect of employee loss on the organization**
- 10. How does financial literacy benefit healthcare executives?**
- A. It allows them to hire more staff**
 - B. It helps them to make informed decisions affecting budget allocation and financial health**
 - C. It improves their negotiation skills with suppliers**
 - D. It enhances their capability to market services**

Answers

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

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Explanations

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1. What does the purpose of any Health Care Organization (HCO) primarily focus on?

- A. Providing financial benefits to staff**
- B. Delivering care to individual patients**
- C. Enhancing corporate profitability**
- D. Expanding ownership structures**

The primary purpose of any Health Care Organization (HCO) centers on delivering care to individual patients. This emphasis on patient care stems from the fundamental mission of healthcare, which is to improve health outcomes, enhance the quality of life, and provide services that meet the medical needs of the community. The core function of healthcare organizations is to diagnose, treat, and prevent illnesses while ensuring that patients receive compassionate and effective care. While financial sustainability, corporate profitability, and organizational structure are important for the operation of HCOs, these factors are secondary to the main goal of patient care. The focus on delivering high-quality care ensures that the organization fulfills its ethical obligations to patients, maintains trust within the community, and adheres to regulatory standards. Ultimately, successful patient outcomes contribute to the organization's reputation and can positively influence financial performance, but they are not the primary focus of the organization.

2. Which term best describes the ongoing quality program required of Community Health Centers?

- A. Quality Assurance**
- B. Progressive Standards**
- C. Performance Improvement**
- D. Service Optimization**

The term that best describes the ongoing quality program required of Community Health Centers is "Quality Assurance." This concept encompasses systematic processes and procedures aimed at ensuring that healthcare services meet consistent standards of quality. In the context of Community Health Centers, Quality Assurance involves establishing benchmarks, monitoring performance, and implementing improvements to enhance patient care and safety. Quality Assurance is fundamental in healthcare settings as it ensures that the services provided adhere to regulatory requirements and best practices, fostering accountability and continuous improvement. Community Health Centers, which often serve vulnerable populations, must prioritize quality to maintain patient trust and enhance health outcomes. While other terms like "Performance Improvement" or "Service Optimization" have relevance in healthcare quality management, they represent slightly different aspects. Performance Improvement focuses on specific initiatives or projects aimed at enhancing service delivery, whereas Service Optimization emphasizes the efficient use of resources to meet patient needs. In contrast, Quality Assurance addresses a broader, ongoing commitment to quality, making it the most fitting choice for the context of Community Health Centers.

- 3. What is the goal of population health as described in national health objectives?**
- A. Minimizing healthcare costs**
 - B. Defining population based on social media usage**
 - C. Measuring health and directing resources for improvement**
 - D. Creating revenue frameworks for insurance**

The goal of population health as described in national health objectives is fundamentally about measuring health outcomes and directing resources toward improving those outcomes. This approach emphasizes understanding the health status of various populations and identifying factors that contribute to health disparities. By focusing on metrics such as illness rates, life expectancy, and access to care, healthcare organizations and policy-makers can identify areas in need of intervention and allocate resources more effectively to address public health challenges. This focus allows for a holistic view of health that considers not only the clinical aspects but also the social determinants of health, such as economic status, education, and community resources. Ultimately, the aim is to enhance the overall health of populations, ensuring that interventions lead to better health outcomes and reduced disparities among different groups. The other options do not encapsulate the comprehensive aim of population health as effectively. While minimizing healthcare costs and creating revenue frameworks may contribute to the sustainability of healthcare systems, they are not the primary objective of population health strategies. Defining populations based on social media usage lacks the depth necessary to understand health trends and needs, which necessitates a focus on more concrete health metrics and social determinants.

- 4. Which model is often used to describe the stages of team development?**
- A. Tuckman's model**
 - B. Maslow's hierarchy of needs**
 - C. Herzberg's motivation theory**
 - D. Lewin's change model**

Tuckman's model is widely recognized as the framework for understanding the stages of team development. This model outlines a sequential process that teams typically go through as they form and evolve, consisting of five stages: forming, storming, norming, performing, and adjourning. In the forming stage, team members come together, establish relationships, and familiarize themselves with the group dynamics. This is followed by the storming stage, where conflicts may arise as members express their differing opinions and work styles. Next, during the norming stage, the team begins to establish norms and cohesiveness, leading to improved collaboration. In the performing stage, the team becomes fully functional, working effectively towards shared goals. Lastly, in the adjourning stage, the team reflects on their accomplishments and disbands after achieving their objectives. The other options pertain to different theories or models that serve specific purposes. Maslow's hierarchy of needs focuses on human motivation within a structured framework of needs, while Herzberg's motivation theory distinguishes between factors that lead to job satisfaction and those that cause dissatisfaction. Lewin's change model is related to the process of change management in organizations. Although these theories are influential in their own domains, they do not specifically address team development stages the

5. Which term describes caregivers with specific legal authority in healthcare?

A. Volunteers

B. Licensed Independent Practitioners (LIPs)

C. Support Staff

D. Administrative Practitioners

The term that describes caregivers with specific legal authority in healthcare is "Licensed Independent Practitioners" (LIPs). These individuals have obtained the necessary licenses and credentials to practice independently in their respective fields, which may include physicians, nurse practitioners, and clinical psychologists, among others. Their legal authority to diagnose and treat patients, prescribe medications, and perform certain procedures stems from their professional training and licensing by relevant regulatory bodies. Other roles, such as volunteers, do not hold the legal authority to provide medical care or make independent clinical decisions. Support staff typically assists healthcare professionals but does not possess the credentials to take on independent responsibilities. Administrative practitioners focus more on the management and administrative aspects of healthcare rather than direct patient care. Therefore, LIPs are distinctly recognized for their capacity to operate autonomously within the healthcare system, making them the correct choice in this context.

6. What is the role of a Chief Financial Officer (CFO) in a healthcare organization?

A. To oversee financial planning, management, and reporting

B. To manage patient relations and care quality

C. To direct the marketing strategies of the organization

D. To supervise clinical operations and staff

The role of a Chief Financial Officer (CFO) in a healthcare organization is primarily centered around overseeing financial planning, management, and reporting. This includes developing financial strategies, managing budgets, and ensuring that the organization remains financially viable and compliant with regulations. The CFO is responsible for analyzing financial data, forecasting future financial performance, and reporting financial health to other executives, stakeholders, and the board of directors. Additionally, the CFO plays a crucial role in financial decision-making, guiding the organization through fiscal challenges and opportunities. By managing the financial health of the organization, the CFO ensures that sufficient resources are available for delivering quality patient care and for strategic investments that align with the organization's mission. Other roles like managing patient relations and care quality, directing marketing strategies, or supervising clinical operations are typically handled by other executives such as Chief Operating Officers, Chief Marketing Officers, or Chief Medical Officers. Each of these positions focuses on specific aspects of healthcare management, while the CFO maintains a firm grasp on the financial dimensions that drive the overall effectiveness of the organization.

7. Which term describes the formal structure composed of representatives prioritizing opportunities for improvement in healthcare?

A. Performance Improvement Council (PIC)

B. Quality Control Board

C. Healthcare Advisory Board

D. Management Committee

The term that accurately describes a formal structure composed of representatives prioritizing opportunities for improvement in healthcare is the Performance Improvement Council (PIC). This council is specifically designed to focus on enhancing the quality and efficiency of healthcare services. It typically comprises a diverse group of stakeholders from various levels and functions within the healthcare organization, including clinical and administrative staff. The role of the PIC is to identify areas that need improvement, implement strategies for enhancing performance, and evaluate the outcomes of these strategies. By having a dedicated council, organizations can foster a systematic approach to quality improvement, ensuring that efforts are aligned with organizational goals and best practices in healthcare. Other options, such as a Quality Control Board, may also deal with aspects of quality but are often more focused on compliance and standards rather than ongoing performance improvement initiatives. The Healthcare Advisory Board usually provides guidance and recommendations but might not be dedicated exclusively to performance improvement activities. The Management Committee often has a broader mandate, overseeing general operations rather than specifically prioritizing quality improvement issues.

8. Why is strategic human resource management important in healthcare?

A. It focuses solely on employee payroll solutions

B. It aligns human resources with the organization's goals

C. It is mainly concerned with workplace safety

D. It manages external contractor relationships

Strategic human resource management is critical in healthcare because it ensures that the human resources function is aligned with the overall goals of the organization. This alignment is essential for fostering a workforce that can effectively meet the demands of patient care and organizational performance. When human resources are strategically managed, they contribute to the development of a strong organizational culture, foster employee engagement, and enhance the ability to recruit and retain top talent—all of which are vital for delivering high-quality healthcare services. By integrating HR planning with the strategic objectives of the healthcare organization, leaders can ensure that staffing levels are appropriate, skill sets match the needs of the organization, and that resources are used efficiently. This forward-looking approach allows organizations to respond proactively to changes in the healthcare environment, such as technological advancements or shifts in patient demographics. While payroll solutions, workplace safety, and contractor relationships are important aspects of human resource management, they do not encompass the broader strategic vision needed in healthcare. Strategic HR management goes beyond operational functions; it shapes the workforce's capabilities in a way that supports the overarching mission and goals of the organization.

9. What is the primary focus of analyzing retention rates?

- A. The average tenure of employees
- B. The collective experience of the workforce
- C. The ability to predict employee satisfaction
- D. The overall effect of employee loss on the organization**

Analyzing retention rates primarily focuses on the overall effect of employee loss on the organization. Retention rates serve as a crucial indicator of how well an organization retains its workforce, highlighting the impact that employee turnover can have on operational continuity, team dynamics, and financial performance. High turnover rates can lead to increased costs associated with recruitment, onboarding, and training of new employees, as well as potential disruptions to service delivery and organizational knowledge. Understanding retention rates allows organizations to address underlying issues that may cause employees to leave, thereby fostering a more stable work environment and improving overall performance. This analysis helps identify patterns in workforce dynamics, enabling leaders to make informed decisions about employee engagement, work culture, and retention strategies, all of which profoundly affect the organization's success.

10. How does financial literacy benefit healthcare executives?

- A. It allows them to hire more staff
- B. It helps them to make informed decisions affecting budget allocation and financial health**
- C. It improves their negotiation skills with suppliers
- D. It enhances their capability to market services

Financial literacy is crucial for healthcare executives as it empowers them to make informed decisions that greatly influence budget allocation and the overall financial health of their organizations. By understanding financial principles, executives can analyze financial statements, evaluate funding options, assess cost-saving measures, and prioritize investments. This knowledge enables them to strategically allocate resources to areas that will maximize impact and ensure the sustainability of operations. For instance, a healthcare executive with strong financial literacy can identify which services are most profitable or in demand and allocate budget accordingly, thereby supporting the organization's growth and stability. In a complex healthcare landscape where margins can be tight, making educated financial choices is vital to maintaining both quality of care and organizational viability. While hiring more staff, improving negotiation skills with suppliers, or enhancing marketing capability can be important aspects of a healthcare executive's role, they are more indirectly related to financial literacy. Proficiency in finances primarily enhances decision-making about resources and operational health, making it a foundational skill in effective healthcare management.

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://fache.examzify.com>

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

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