HCCA Certified in Healthcare Compliance (CHC) Practice Exam (Sample)

Study Guide

BY EXAMZIFY

Everything you need from our exam experts!

Table of Contents

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

1. **Are incidental disclosures allowed under the HIPAA Privacy Rule?**

   A. Yes, with limitations

   B. No, they are strictly prohibited

2. **What is De-identified PHI?**

   A. Health information that identifies an individual

   B. Health information that cannot be used to identify an individual

   C. Health information related only to deceased individuals

   D. Health information that is publicly available

3. **What is a primary benefit of conducting a contemporaneous review?**

   A. Can provide a chance to do a self-disclosure of prior billing errors

   B. Can correct a problem before it grows to become a serious issue

   C. Helps with creating a code of ethics

   D. Allows employees to submit anonymous reports of fraud

4. **When is it necessary to hire an outside consultant or legal counsel?**

   A. Only when an overpayment is identified

   B. There is no strict requirement, but assistance may be beneficial during certain phases

   C. In the beginning of plan development

   D. Never

5. **Which of the following is NOT a step in the audit process?**

   A. Planning

   B. Termination

   C. Fieldwork

   D. Findings and recommendations

6. **What type of test would be practical for a physician practice to determine unpaid claims?**

   A. Statistical Sampling

   B. Rat-Stats

   C. Baseline Audit

   D. Random Sampling

7. **What does RAT-STATS provide for auditors?**

   A. A comprehensive guide for financial audits.

   B. Statistical software for claim review.

   C. A database of compliance violations.

   D. Tools for risk assessment and management.

8. **Which of the following is a primary responsibility of a compliance officer according to the OIG?**

   A. Managing external relations

   B. Overseeing daily compliance operations

   C. Conducting financial audits

   D. Developing marketing strategies

9. **The Privacy Rule does not restrict the use or disclosure of _____, which neither identifies nor provides a reasonable basis to identify an individual.**

   A. non-protected health information (non-PHI)

   B. reverse PHI

   C. regulated PHI

   D. de-identified health information

10. **If wrongdoing is identified, what is the FIRST action to take if an overpayment is found?**

    A. Report to the Board

    B. Contact the Attorney General

    C. Refund to the Fiscal Intermediary

    D. Close the case

Answers

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

Explanations

1. Are incidental disclosures allowed under the HIPAA Privacy Rule?

A. Yes, with limitations

B. No, they are strictly prohibited

Incidental disclosures are indeed allowed under the HIPAA Privacy Rule, but they come with specific limitations. The rule acknowledges that while covered entities must take reasonable safeguards to protect patient information, some disclosures may occur unintentionally during the course of permissible activities.   For example, if a healthcare provider is discussing a patient's condition in a semi-private area, and another patient overhears this conversation, that overheard information is considered an incidental disclosure. HIPAA allows for such disclosures as long as the covered entity has implemented safeguards to minimize the likelihood of such disclosures happening and has a sound policy in place for handling patient information. The key requirement is that the covered entity must make reasonable efforts to reduce the risk of incidental disclosures, ensuring that patient privacy is respected, and that any unintended sharing of information occurs under circumstances where the entity has taken steps to protect confidentiality. Hence, while incidental disclosures are permissible, they must not compromise the overarching aim of safeguarding patient privacy.

2. What is De-identified PHI?

A. Health information that identifies an individual

B. Health information that cannot be used to identify an individual

C. Health information related only to deceased individuals

D. Health information that is publicly available

De-identified PHI, or Protected Health Information, refers to health information that has been processed in such a way that it cannot be used to identify an individual. This process typically involves removing or masking personal identifiers such as names, addresses, Social Security numbers, and other demographic details that could link the health data back to an individual.   The significance of de-identifying PHI lies in its ability to allow for data analysis, research, or public health initiatives without compromising patient privacy. This facilitates the use of critical data for improving healthcare quality, population health management, and various research purposes while adhering to compliance regulations such as HIPAA. In contrast, health information that identifies an individual is classified as PHI and is protected under privacy laws. Information related only to deceased individuals may not always be considered de-identified depending on its nature. Publicly available health information does not necessarily meet the specific criteria for de-identified PHI, as it may still contain identifiers that could lead back to individuals. Thus, the essence of de-identified PHI is its inability to identify any individual, making it the correct answer.

3. What is a primary benefit of conducting a contemporaneous review?

A. Can provide a chance to do a self-disclosure of prior billing errors

B. Can correct a problem before it grows to become a serious issue

C. Helps with creating a code of ethics

D. Allows employees to submit anonymous reports of fraud

Conducting a contemporaneous review is a proactive approach that focuses on identifying and addressing issues as they arise, thereby preventing them from escalating into more significant problems later on. This timely identification allows organizations to implement corrective actions immediately, which is crucial in maintaining compliance and avoiding penalties or reputational damage. By catching issues early, organizations can ensure that any lapses or errors are rectified quickly, reducing the risk of larger systemic flaws developing over time. This approach emphasizes the importance of regular oversight and assessment in compliance monitoring, fostering a culture of continuous improvement and accountability. While other options reflect important aspects of compliance and organizational integrity, they do not specifically capture the essence of a contemporaneous review like the ability to act swiftly in response to emerging issues does.

4. When is it necessary to hire an outside consultant or legal counsel?

A. Only when an overpayment is identified

B. There is no strict requirement, but assistance may be beneficial during certain phases

C. In the beginning of plan development

D. Never

Hiring an outside consultant or legal counsel can be beneficial during various phases of compliance management, even though there may not be a strict requirement to do so. Engaging external experts can provide organizations with specialized knowledge, an objective perspective, and access to the latest regulatory updates, which can be crucial for effective compliance. For instance, outside consultants can help in conducting risk assessments, developing policies, or navigating complex legal issues. They may also assist in preparing for audits or investigations, ensuring that the organization is well-prepared and informed about compliance matters. While some situations, such as identifying an overpayment, might prompt hiring external help, the need for such assistance can arise in multiple contexts, including the development of compliance plans or ongoing monitoring. Thus, relying on external expertise can enhance an organization's overall compliance efforts and reduce legal risks.

5. Which of the following is NOT a step in the audit process?

A. Planning

B. Termination

C. Fieldwork

D. Findings and recommendations

The audit process typically involves specific, structured steps that help ensure a thorough and effective evaluation of compliance, financial records, or operational efficiency. Planning is crucial as it sets the stage for the audit, enabling the auditors to identify objectives, scope, and methodologies. Fieldwork is where the actual data collection and analysis takes place, allowing auditors to gather evidence to support their findings. Finally, the stage of findings and recommendations is critical, as it involves analyzing the data collected during fieldwork and summarizing results to inform stakeholders and suggest improvements or changes. Termination, however, is not a recognized step within the structured audit process. While audits will have a conclusion or wrap-up phase where all findings are compiled and presented, "termination" implies an ending of the audit for arbitrary reasons, rather than as part of a defined audit methodology. Therefore, identifying it as a step could imply an inaccurate view of the audit process. Understanding the specific steps and their relevance helps practitioners recognize the importance of each phase in achieving a comprehensive audit outcome.

6. What type of test would be practical for a physician practice to determine unpaid claims?

A. Statistical Sampling

B. Rat-Stats

C. Baseline Audit

D. Random Sampling

Statistical sampling is a practical approach for a physician practice to determine unpaid claims because it allows for the analysis of a subset of claims to extrapolate findings to the larger population. This method is efficient and can yield valuable insights without the need to review every single claim, which can be time-consuming and resource-intensive. By selecting a representative sample of claims, the practice can estimate the rate of unpaid claims, identify trends, and evaluate whether there are particular factors contributing to these unpaid claims. This method not only helps in understanding the issue on a broader scale but also supports compliance efforts by ensuring that the practice is aware of its financial health and can take action if needed. Statistical sampling also lends itself to rigorous statistical methods that can enhance the reliability of conclusions drawn from the sample, ultimately supporting more informed decision-making within the practice regarding its revenue cycle management.

7. What does RAT-STATS provide for auditors?

A. A comprehensive guide for financial audits.

B. Statistical software for claim review.

C. A database of compliance violations.

D. Tools for risk assessment and management.

RAT-STATS provides statistical software designed specifically for auditors conducting claim reviews and audits. This software is aimed at enhancing the analysis of statistical samples and ensuring that the processes used in auditing are both efficient and effective. It simplifies the work auditors do by offering tools and methodologies to statistically validate their findings, particularly regarding claims and billing practices in healthcare organizations. The software supports the creation of statistical sampling plans and helps auditors make informed decisions based on the statistical analysis of claims data. The other options, while relevant to auditing and compliance in healthcare, do not accurately define the primary function of RAT-STATS. It does not serve as a comprehensive guide for all financial audits, nor is it a database for compliance violations or a collection of risk assessment and management tools. Its specific focus on statistical analysis in the context of claim reviews distinguishes it in the field of auditing software.

8. Which of the following is a primary responsibility of a compliance officer according to the OIG?

A. Managing external relations

B. Overseeing daily compliance operations

C. Conducting financial audits

D. Developing marketing strategies

The role of a compliance officer, according to the Office of Inspector General (OIG), fundamentally revolves around overseeing the daily compliance operations within a healthcare organization. This responsibility includes ensuring that the organization adheres to all relevant laws, regulations, and internal policies related to healthcare practices. By overseeing daily operations, the compliance officer is tasked with monitoring compliance activities, developing and implementing compliance programs, and creating a culture of ethics and compliance within the organization. This also involves training staff on compliance requirements and conducting regular assessments to identify potential areas of risk. In contrast, while managing external relations can be a part of the broader duties of a compliance officer, it is not their primary responsibility. Conducting financial audits is typically the purview of internal audit teams, not compliance officers. Similarly, developing marketing strategies relates more to organizational growth and outreach rather than compliance functions, which focus on governance and regulatory adherence. Thus, overseeing daily compliance operations aligns directly with the core responsibilities highlighted by the OIG for compliance officers.

9. The Privacy Rule does not restrict the use or disclosure of _____, which neither identifies nor provides a reasonable basis to identify an individual.

A. non-protected health information (non-PHI)

B. reverse PHI

C. regulated PHI

D. de-identified health information

The correct answer is de-identified health information. The Privacy Rule, established under the Health Insurance Portability and Accountability Act (HIPAA), sets standards for the protection of individually identifiable health information. However, it specifically states that de-identified health information is not subject to the same restrictions as protected health information (PHI). De-identified health information has been stripped of all identifiers that could link the data back to an individual, meaning it neither identifies nor provides a reasonable basis to identify an individual. This allows for the important use of health data in research, policy-making, and other contexts without compromising individual privacy. In contrast, non-protected health information, reverse PHI, and regulated PHI all indicate forms of information that are either identifiable or potentially identifiable. Non-PHI may still contain identifiers that could be traced back to individuals, and regulated PHI falls under the specific protections of the Privacy Rule. Reverse PHI could imply data that track back to individuals, as well. Thus, they are all subject to regulation under the Privacy Rule, unlike de-identified health information.

10. If wrongdoing is identified, what is the FIRST action to take if an overpayment is found?

A. Report to the Board

B. Contact the Attorney General

C. Refund to the Fiscal Intermediary

D. Close the case

When an overpayment is identified, the first action to take is to refund the amount to the fiscal intermediary. This step is crucial because it helps to rectify the financial discrepancy as soon as it is discovered. The overpayment needs to be addressed promptly to comply with healthcare regulations and mitigate potential legal or financial repercussions. In healthcare compliance, the responsibility to return overpayments is guided by laws and regulations to ensure that the integrity of the billing process is maintained. Failing to take immediate action on an overpayment can lead to further complications, including investigations by regulatory bodies or potential penalties. Returning the funds expedites the resolution of the issue and demonstrates a commitment to compliance, which is vital for maintaining trust and adherence to legal standards in healthcare practices. This proactive approach also helps to establish a culture of integrity within the organization by addressing financial discrepancies responsibly.

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://hccachc.examzify.com

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