

# HCD Healthcare Payment and Delivery Models Exam 2 Practice (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 is the current version of ICD?**
  - A. 9th version**
  - B. 10th version**
  - C. 11th version**
  - D. 8th version**
  
- 2. What are the two main types of reimbursement models?**
  - A. Fee for Service (FFS) and Capitation**
  - B. Fee for Service (FFS) and Alternative Payment Models (APMs)**
  - C. Capitation and Global Budgets**
  - D. Salary-based and Per diem**
  
- 3. What is the per diem payment model used for nursing homes?**
  - A. Per diem fixed daily rate around \$200**
  - B. Weekly rate**
  - C. Monthly lump sum**
  - D. Hourly rate**
  
- 4. What is a common consequence of the traditional FFS reimbursement model?**
  - A. Emphasizes value over volume**
  - B. Incentivizes volume over value**
  - C. Ensures cost containment**
  - D. Eliminates wasteful services**
  
- 5. What describes the Resource-Based Relative Value Scale (RBRVS)?**
  - A. A physician payment system based on resource costs of providing those services.**
  - B. A framework for hospital accreditation**
  - C. A method for patient scheduling**
  - D. A pricing model for CPT codes**

- 6. Which option best describes one-sided risk?**
- A. Provider is penalized if costs are more but not rewarded if costs are less**
  - B. Provider benefits if costs are less but NOT penalized if costs are more**
  - C. Provider benefits if costs are more**
  - D. No penalties and no rewards**
- 7. Who sets the amount paid per RVU?**
- A. Private insurers**
  - B. Medicare**
  - C. Physicians**
  - D. Hospitals**
- 8. Which reimbursement model ties payments to outcomes and quality metrics rather than pure volume?**
- A. Fee for Service**
  - B. Capitation**
  - C. Salary-based payment**
  - D. Alternative Payment Model**
- 9. CPT codes for Immunizations?**
- A. 90460-90474**
  - B. 99307-99308**
  - C. 85001-85002**
  - D. 10000-10001**
- 10. Which statement describes Medicare Advantage capitation payments?**
- A. Subjected to benchmarking process**
  - B. CMS pays flat fee based on benchmark per member per month**
  - C. Both A and B**
  - D. None**

## Answers

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

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## **Explanations**

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## 1. What is the current version of ICD?

- A. 9th version
- B. 10th version**
- C. 11th version
- D. 8th version

ICD versions have evolved, and the current standard for diagnosing and procedure coding is ICD-10 (ICD-10-CM for diagnoses and ICD-10-PCS for procedures in the U.S.). This version provides many more codes and greater specificity than earlier editions, which is why systems moved from ICD-9 to ICD-10. WHO released ICD-11 in 2018 as the latest revision, but its adoption is gradual and not yet universal for routine billing and reporting in many places. The older editions, such as ICD-9 or ICD-8, are no longer considered current for billing purposes.

## 2. What are the two main types of reimbursement models?

- A. Fee for Service (FFS) and Capitation
- B. Fee for Service (FFS) and Alternative Payment Models (APMs)**
- C. Capitation and Global Budgets
- D. Salary-based and Per diem

The main idea here is distinguishing how providers get paid: one approach pays for each service delivered, while the other uses pay structures that reward value, quality, and cost control. Fee-for-service is the traditional model that reimburses per unit of service, which can incentivize higher service volume. Alternative Payment Models group together value-based arrangements aimed at improving outcomes and reducing costs, including capitation, bundled payments, and shared savings. These models shift some financial risk to providers and align incentives with overall care value. Capitation and global budgets are specific ways to implement payment under broader value-based approaches, rather than the broad categories themselves. Salary-based and per diem are provider compensation methods that don't represent the broad spectrum of reimbursement models in the same way.

## 3. What is the per diem payment model used for nursing homes?

- A. Per diem fixed daily rate around \$200**
- B. Weekly rate
- C. Monthly lump sum
- D. Hourly rate

A fixed daily per-diem payment is used in nursing homes. This means the facility gets a set amount for each resident for every day of the stay, covering the typical services and care provided that day. The rate is designed to be predictable for budgeting and simpler to administer, and it may be adjusted by case mix to reflect varying care needs, but the payment is still daily, not tied to hours or a different time frame. The figure given (around \$200 per day) reflects a common ballpark for these daily rates, though exact amounts vary by policy and region. Other options—weekly, monthly lump sum, or hourly—don't match how SNF payments are structured, since the ongoing daily needs drive the per-diem approach.

**4. What is a common consequence of the traditional FFS reimbursement model?**

- A. Emphasizes value over volume**
- B. Incentivizes volume over value**
- C. Ensures cost containment**
- D. Eliminates wasteful services**

Traditional fee-for-service reimbursement pays providers for each service performed, so the main effect is to incentivize volume over value. Because revenue grows with the number of tests, procedures, and visits, there's a financial motive to deliver more services, even if they don't meaningfully improve outcomes. This tends to increase utilization and overall costs, while care decisions are driven more by the quantity of services than by patient-centered value or coordinated care. Options that emphasize cost containment or eliminating wasteful services reflect value-based approaches, which differ from the traditional FFS model.

**5. What describes the Resource-Based Relative Value Scale (RBRVS)?**

- A. A physician payment system based on resource costs of providing those services.**
- B. A framework for hospital accreditation**
- C. A method for patient scheduling**
- D. A pricing model for CPT codes**

RBRVS is a physician payment system that ties payments to the resources required to provide services. Each CPT-coded service gets a relative value based on three components: physician work (time, effort, skill), practice expenses (overhead for the office and supplies), and malpractice insurance costs. These relative values are adjusted for geography and summed to form a total value, which is then multiplied by a conversion factor to determine the payment amount. This approach standardizes payments across different services and locations and is used by Medicare and many private payers. It isn't about hospital accreditation, nor about patient scheduling, and while CPT codes are the basis for valuation, the key idea is a resource-based framework for valuing and paying physician services.

## 6. Which option best describes one-sided risk?

- A. Provider is penalized if costs are more but not rewarded if costs are less
- B. Provider benefits if costs are less but NOT penalized if costs are more**
- C. Provider benefits if costs are more
- D. No penalties and no rewards

One-sided risk means you can gain a reward if performance is favorable, but there's no penalty if performance is unfavorable. In this context, the provider would benefit when costs are kept below the target, yet there is no penalty if costs go above the target. That setup creates upside potential without downside penalties, which is exactly what one-sided risk describes. The other descriptions either introduce penalties for higher costs, no incentives at all, or incentives tied to worse performance, none of which capture the idea of a reward with no downside in this arrangement.

## 7. Who sets the amount paid per RVU?

- A. Private insurers
- B. Medicare**
- C. Physicians
- D. Hospitals

RVUs translate a service into a value that Medicare uses to determine payment. For Medicare, the amount paid per RVU is the dollar value that CMS publishes in the Physician Fee Schedule each year, and this rate is used to multiply the RVUs for a given CPT code (including work, practice expense, and malpractice components). That per-RVU rate is set by Medicare (CMS), not by private insurers, physicians, or hospitals. Private insurers may use Medicare rates as a baseline or negotiate their own per-RVU amounts, but the official rate comes from Medicare.

## 8. Which reimbursement model ties payments to outcomes and quality metrics rather than pure volume?

- A. Fee for Service
- B. Capitation
- C. Salary-based payment
- D. Alternative Payment Model**

Value-based reimbursement focuses on results rather than volume. Payments are adjusted based on how well care improves patient outcomes and manages costs, using quality and performance metrics such as readmission rates, complication rates, patient experience, and cost per episode. This approach is the hallmark of an Alternative Payment Model, which covers structures like bundled payments, shared savings, and pay-for-performance that reward quality and efficiency. In contrast, fee-for-service pays for each service irrespective of outcomes; capitation pays a fixed amount per patient without inherently tying payment to outcomes; and salary-based pay is a fixed wage. So the model that ties payments to outcomes and quality metrics is an Alternative Payment Model.

## 9. CPT codes for Immunizations?

- A. 90460-90474**
- B. 99307-99308**
- C. 85001-85002**
- D. 10000-10001**

Immunization CPT codes are in the 90460-90474 range because these are the codes specifically designated for vaccine administration and any related counseling. The other code ranges map to different services: preventive medicine visits (new or established patients), basic laboratory tests, and minor surgical procedures, none of which describe giving vaccines. So using the immunization administration codes (90460-90474) is the correct approach.

## 10. Which statement describes Medicare Advantage capitation payments?

- A. Subjected to benchmarking process**
- B. CMS pays flat fee based on benchmark per member per month**
- C. Both A and B**
- D. None**

Medicare Advantage payments are capitation, meaning a fixed amount per enrolled beneficiary paid every month to the plan. This amount is anchored to a county-specific benchmark established by CMS, which is the baseline used to determine payments. Plans submit actuarial bids representing their expected costs, and CMS uses the benchmark plus these bid submissions (and risk/quality adjustments) to finalize the per-member-per-month payment. In other words, capitation payments are monthly flat-rate payments tied to the geographic benchmark, with the bid and other adjustments shaping the final amount. That combination describes both the benchmarking process and the per-member-per-month nature, so both aspects are correct.

## 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](mailto:hello@examzify.com).**

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

**<https://hcdhealthcarepaymentdeliverymodels2.examzify.com>**

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

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