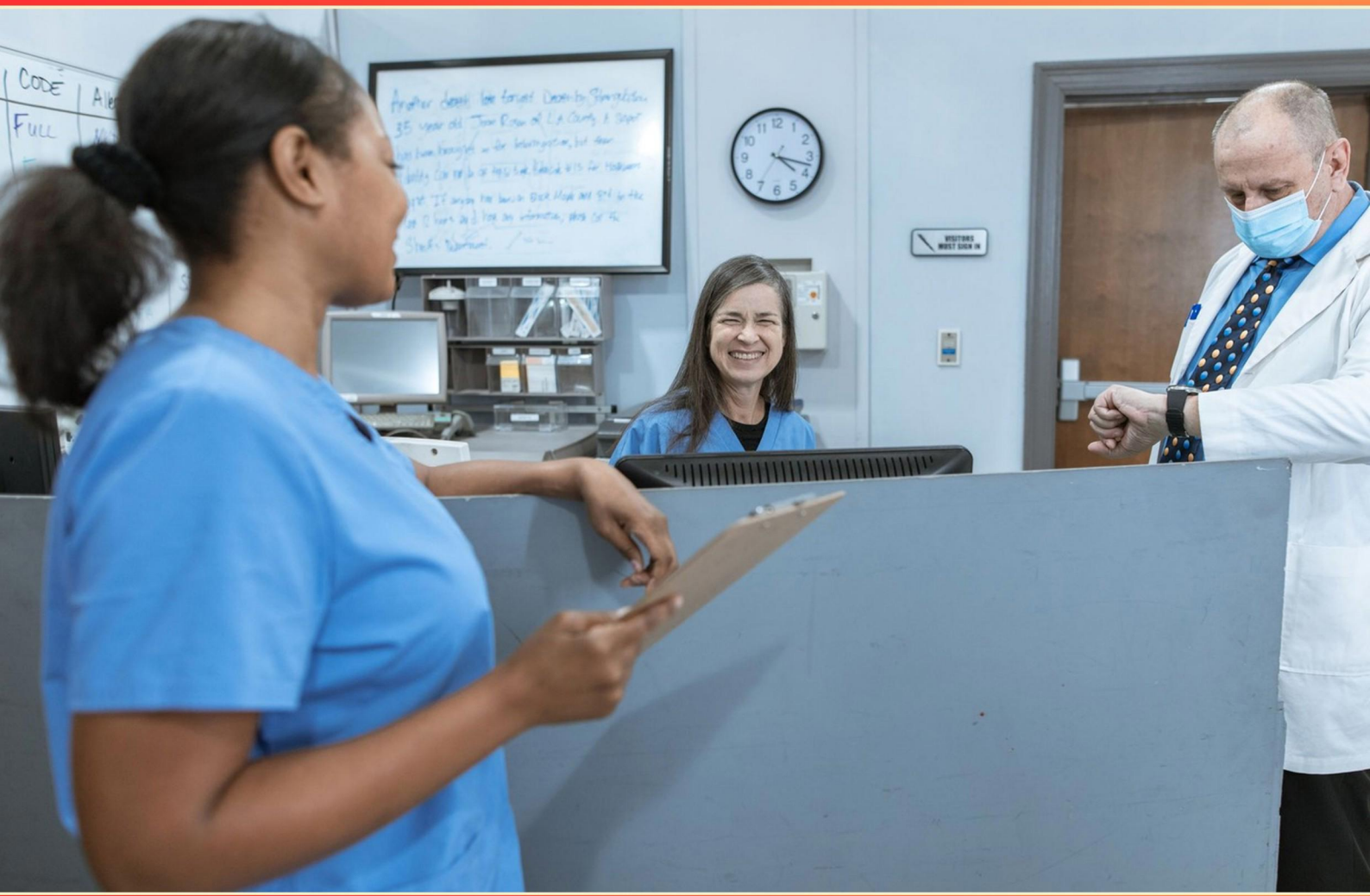
HEALTH CARE ADMINISTRATION PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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https://healthcareadmin.examzify.com

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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

1. Which insurance type pays predetermined benefits regardless of actual expenses and generally imposes fewer restrictions on charges?

A. Insurance Exchanges

B. Indemnity Insurance

C. Information Technology

D. Infant Mortality

2. Under a DRG payment system, which term refers to hospital cases with extraordinarily long stays that receive additional per diem payments?

A. Acute cases

B. Routine admissions

C. Long-stay outliers

D. Inpatient emergencies

3. Which term refers to a hospital's obligation to spend funds on community benefits based on its tax status and public funds?

A. Community Hospitals

B. Community Benefits

C. Comparative Effectiveness Research

D. Comorbidity

4. An element of personal behavior—such as unbalanced nutrition, use of tobacco products, leading a sedentary lifestyle, or the abuse of alcohol—that increases disease risk is called what?

A. Behavioral Risk Factors

B. Attending physicians

C. Ambulatory Care Sensitive Conditions

D. Benchmark

5. What term describes a health plan that contracts with a medical group and typically operates on a closed panel?

A. Preferred Provider Organization (PPO)

B. Health Maintenance Organization (HMO)

C. Exclusive Provider Organization (EPO)

D. Point of Service (POS)

6. Which program is designed to provide health coverage for low-income individuals?

A. Medicaid

B. Medicare

C. Medigap

D. MMA

7. Which term denotes the health coverage marketplace created to offer plans with different levels of coverage?

A. Health Exchange

B. Health Savings Account

C. Catastrophic Plan

D. Medigap

8. Which term describes a specified amount an insured individual must pay for a specified service?

A. Cost-sharing

B. Cost-shifting

C. Copayment

D. Deductible

9. Clinical and supportive activities intended to treat or manage mental illnesses and/or alcohol or substance abuse are called what?

A. Behavioral Risk Factors

B. Behavioral Health Services

C. Average Daily Census

D. Assisted Living

10. Which term is used to describe an HMO that retains salaried physicians working within the organization's clinics?

A. Staff Model

B. Group Model

C. IPA

D. Open Panel

Answers

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

Explanations

1. Which insurance type pays predetermined benefits regardless of actual expenses and generally imposes fewer restrictions on charges?

A. Insurance Exchanges

B. Indemnity Insurance

C. Information Technology

D. Infant Mortality

Indemnity insurance provides fixed, predetermined benefit amounts for covered services, regardless of what the provider charges. Because payments are set by a benefit schedule rather than by the actual cost of care, there are typically fewer restrictions on which providers you can see and how charges are billed. You can often choose any doctor or hospital, submit claims for reimbursement, and pay any remaining balance after the fixed benefit is applied. This contrasts with many managed care plans that negotiate rates with networks and impose tighter restrictions on provider choice and preauthorization. The other options aren't insurance types: insurance exchanges are marketplaces to purchase coverage, Information Technology is not a type of insurance, and infant mortality is a demographic statistic.

2. Under a DRG payment system, which term refers to hospital cases with extraordinarily long stays that receive additional per diem payments?

A. Acute cases

B. Routine admissions

C. Long-stay outliers

D. Inpatient emergencies

Under a DRG payment system, hospitals receive a fixed amount for each patient based on the diagnosis-related group. For most stays, that one payment covers the entire episode, even if the actual days in the hospital vary. When a patient's stay is extraordinarily long, the system adds extra per diem payments for the days beyond a set threshold to ensure the hospital isn't underpaid for extended, resource-intensive care. These cases are called long-stay outliers. The other terms don't capture this idea: acute cases refer to illness severity, routine admissions are standard or average cases, and inpatient emergencies describe the urgency of presentation rather than payment adjustments for length of stay.

3. Which term refers to a hospital's obligation to spend funds on community benefits based on its tax status and public funds?

A. Community Hospitals

B. Community Benefits

C. Comparative Effectiveness Research

D. Comorbidity

Community benefits describe a hospital's obligation to spend funds on activities that benefit the community in exchange for its tax-exempt status and any public funding. Nonprofit hospitals receive favorable tax treatment and, in many cases, public subsidies, so they are expected to reinvest resources into charitable care, initiatives to improve community health, and other related activities. This framework is why reporting and investing in community benefits—such as charity care, unreimbursed costs of means-tested government programs, health improvement programs, and community health education—are tied to their financial and legal standing. The other terms don't capture this accountability to the public purse: one refers to hospitals serving local communities, another to researching which treatments work best, and another to diseases that occur alongside another condition.

4. An element of personal behavior—such as unbalanced nutrition, use of tobacco products, leading a sedentary lifestyle, or the abuse of alcohol—that increases disease risk is called what?

A. Behavioral Risk Factors

B. Attending physicians

C. Ambulatory Care Sensitive Conditions

D. Benchmark

Behavioral risk factors are personal lifestyle choices that raise the likelihood of developing disease. The items described—unbalanced nutrition, tobacco use, a sedentary lifestyle, and alcohol abuse—are classic examples of behaviors that increase health risk and are often targets for prevention. They're distinct from other concepts like provider roles (attending physicians), health outcome categories (ambulatory care sensitive conditions), or performance standards (benchmarks). Because the question focuses on personal behavior that elevates disease risk, the best match is behavioral risk factors.

5. What term describes a health plan that contracts with a medical group and typically operates on a closed panel?

A. Preferred Provider Organization (PPO)

B. Health Maintenance Organization (HMO)

C. Exclusive Provider Organization (EPO)

D. Point of Service (POS)

A plan that contracts with a specific group of providers and uses a closed panel is organized around a fixed network, with care coordinated through a primary care physician who acts as the gatekeeper for specialist services. This structure keeps costs predictable and emphasizes preventive care, since members are encouraged (and often required) to stay within the network for most services. Because the network is predefined and tightly managed, referrals are commonly needed to see specialists, and out-of-network coverage is limited to emergencies. That combination—a defined network with gatekeeping and generally lower out-of-pocket costs—matches an HMO.

6. Which program is designed to provide health coverage for low-income individuals?

A. Medicaid

B. Medicare

C. Medigap

D. MMA

Health coverage programs differ by who they serve and how eligibility is set. Medicaid is designed to provide health coverage for people with low income and certain other groups; eligibility is means-tested and varies by state, with funding shared between the federal government and the states. Medicare is a federal entitlement mainly for people aged 65 and older or those with qualifying disabilities, and it isn't based on income. Medigap is private supplemental insurance that helps cover costs not paid by Medicare and is bought in addition to Medicare, not a low-income program. MMA, the Medicare Modernization Act, added benefits within the Medicare system (like prescription drug coverage) rather than creating a separate low-income coverage program. So Medicaid is the program intended to provide health coverage for low-income individuals.

7. Which term denotes the health coverage marketplace created to offer plans with different levels of coverage?

A. Health Exchange

B. Health Savings Account

C. Catastrophic Plan

D. Medigap

The essential idea is a centralized place where people can compare and enroll in health plans that offer different levels of coverage. This marketplace is called the Health Exchange, a term used for the health insurance marketplace created to present plans in varying coverage tiers (such as Bronze, Silver, Gold, and Platinum) with different premiums and cost-sharing. It's designed to let consumers see options side by side and, if eligible, access subsidies to help make coverage affordable. Other options don't fit this specific concept: a Health Savings Account is a tax-advantaged saving tool for medical costs, not a marketplace of plans; a Catastrophic Plan is one type of plan with limited coverage aimed at emergencies, not the marketplace itself; and Medigap is Medicare supplemental insurance, not the general marketplace for a range of private plans.

8. Which term describes a specified amount an insured individual must pay for a specified service?

A. Cost-sharing

B. Cost-shifting

C. Copayment

D. Deductible

In health insurance, a copayment is a fixed amount you pay for a specific service at the time you receive it. This amount is set for that service (for example, a $20 visit copay or a fixed amount for a prescription) and is paid regardless of the total cost of the service. This distinguishes it from a deductible, which is the amount you must pay out of pocket before coverage begins, and from coinsurance, which is a percentage of the cost you owe after meeting the deductible. The broader term cost-sharing includes copayments, coinsurance, and deductibles. So the described situation—a fixed amount paid for a service—best fits the concept of a copayment.

9. Clinical and supportive activities intended to treat or manage mental illnesses and/or alcohol or substance abuse are called what?

A. Behavioral Risk Factors

B. Behavioral Health Services

C. Average Daily Census

D. Assisted Living

The concept here is recognizing the umbrella term for clinical and supportive activities aimed at treating or managing mental illnesses and substance use issues. The best answer is Behavioral Health Services. This term encompasses a wide range of care, including evaluation and diagnosis, psychotherapy, medication management, crisis intervention, addiction treatment, and supportive services like case management and care coordination. It covers care delivered across settings such as outpatient clinics, hospitals, community mental health centers, and rehab facilities, and it's increasingly provided via telehealth as well. Behavioral Risk Factors refer to behaviors that contribute to the likelihood of developing health problems, not to the services used to treat them. Average Daily Census is a measure of patient occupancy in a facility, not related to treatment services. Assisted Living describes housing with support services, not the clinical and rehabilitative treatments for mental health and substance use.

10. Which term is used to describe an HMO that retains salaried physicians working within the organization's clinics?

A. Staff Model

B. Group Model

C. IPA

D. Open Panel

In a staff model HMO, physicians are directly employed by the HMO and practice in clinics owned or operated by the HMO. This means the organization retains and salaries the physicians and keeps them working within its own facilities, ensuring integrated management and care delivery. This fits the description perfectly because the question asks for the term describing an HMO that keeps salaried physicians working inside the organization's clinics. The other terms describe different arrangements: a group model HMO contracts with a separate physician group; an IPA has physicians who remain in private practice and contract with the HMO; an open panel refers to how many and which physicians are available to patients, not to employment status.

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://healthcareadmin.examzify.com

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