

Healthcare Common Procedure Coding System (HCPCS) Level II Practice Test (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

- 1. What characterizes HCPCS Level II codes as distinct from Level I?**
 - A. Level I codes are for inpatient services**
 - B. Level II codes are for non-physician services and supplies**
 - C. Level II codes contain numeric values only**
 - D. Level I codes are based on procedure types**
- 2. Which of the following statements is true about coding restrictions indicated by symbols?**
 - A. They apply only to billing procedures**
 - B. They restrict the use of codes based on demographics**
 - C. They are optional guidelines for healthcare providers**
 - D. They are only applicable to surgical procedures**
- 3. What does a code beginning with "M" signify?**
 - A. It is used for surgical procedures**
 - B. It is typically used for a medical service related to mental health**
 - C. It is reserved for diagnostic imaging**
 - D. It refers to treatment for chronic illnesses**
- 4. When there are multiple routes of administration listed for a drug, which one is typically first?**
 - A. The least common method**
 - B. The most common method**
 - C. Any random method**
 - D. The newest method**
- 5. What kind of services are categorized under "C" codes?**
 - A. Outpatient drug services**
 - B. Durable medical equipment**
 - C. Hospital outpatient services**
 - D. Physical therapy**

- 6. What does the code H0020 cover?**
- A. General medical services for outpatient care**
 - B. Alcohol and/or drug treatment services**
 - C. Psychiatric evaluation services**
 - D. Preventive screening for substance abuse**
- 7. What is indicated by the Quantity Alert for Physicians/Providers, represented by the green QP?**
- A. Unlimited services allowed**
 - B. Maximum units of service per patient per day**
 - C. Variations in reimbursement rates**
 - D. Documentation requirements**
- 8. What does the Physician Quality Reporting System (PQRS) aim to improve?**
- A. Patient access to healthcare**
 - B. Hospital emergency response times**
 - C. Quality of care provided by physicians**
 - D. Cost reduction in medical equipment**
- 9. What type of code is assigned to dental services in HCPCS Level II?**
- A. Code A**
 - B. Code B**
 - C. Code D**
 - D. Code G**
- 10. What does the "F" code category in HCPCS indicate?**
- A. Codes for hospital inpatient services**
 - B. Codes for established patient care not otherwise specified**
 - C. Codes for emergency medical services**
 - D. Codes for telehealth services**

Answers

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

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Explanations

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1. What characterizes HCPCS Level II codes as distinct from Level I?

- A. Level I codes are for inpatient services**
- B. Level II codes are for non-physician services and supplies**
- C. Level II codes contain numeric values only**
- D. Level I codes are based on procedure types**

HCPCS Level II codes are specifically designed to represent a wide range of non-physician services, supplies, and equipment that are not covered by the Level I CPT codes. These codes include items such as ambulance services, durable medical equipment (DME), prosthetics, and other services that may be provided outside of a physician's office. This distinction is crucial because it allows for a more comprehensive billing system that includes both medical and ancillary services that are essential for patient care but do not fall under direct physician services. In contrast, Level I codes (the CPT codes) primarily cover services provided by healthcare professionals, such as surgeries, office visits, and other direct patient care procedures. By recognizing the unique purpose of Level II codes in billing for non-physician services, healthcare providers can ensure accurate coding and billing for the full spectrum of care. Understanding this characteristic of HCPCS Level II codes is essential for accurate medical billing and coding practices. This ensures that all services rendered, whether by a physician or a non-physician service provider, are billed appropriately.

2. Which of the following statements is true about coding restrictions indicated by symbols?

- A. They apply only to billing procedures**
- B. They restrict the use of codes based on demographics**
- C. They are optional guidelines for healthcare providers**
- D. They are only applicable to surgical procedures**

The statement about coding restrictions indicated by symbols that is most accurate is that these restrictions typically apply to the use of codes based on demographics. In HCPCS Level II coding, certain codes are designated with symbols that indicate specific coding requirements or restrictions that can be influenced by patient demographics such as age, gender, or other qualifying criteria. For example, some codes may only be applicable to certain age groups or may have specific modifiers based on the patient's demographic characteristics. This focus on demographics helps ensure that the correct services or items are billed appropriately for the right patient population, which is crucial for both compliance and reimbursement processes. Understanding these restrictions is essential for accurate coding and billing practices within healthcare settings.

3. What does a code beginning with "M" signify?

- A. It is used for surgical procedures
- B. It is typically used for a medical service related to mental health**
- C. It is reserved for diagnostic imaging
- D. It refers to treatment for chronic illnesses

A code beginning with "M" in the Healthcare Common Procedure Coding System (HCPCS) specifically signifies medical services related to mental health. This classification is important as it provides clarity for healthcare providers, insurers, and patients regarding the nature of the services rendered. Codes in this category are tailored to capture the nuances of mental health services, ensuring that these services are appropriately documented and reimbursed. In the context of HCPCS Level II coding, other types of codes do not begin with "M" and are designated for different categories of services. For instance, codes related to surgical procedures would fall under a different heading, and diagnostic imaging codes are assigned distinct identifiers. This differentiation is essential for the accurate categorization of services rendered in various healthcare settings. By utilizing "M" codes, mental health services can be systematically tracked and managed, reflecting their importance in the overall healthcare landscape.

4. When there are multiple routes of administration listed for a drug, which one is typically first?

- A. The least common method
- B. The most common method**
- C. Any random method
- D. The newest method

When there are multiple routes of administration listed for a drug, the most common method is typically listed first. This convention ensures clarity and prioritization for healthcare providers, who may be looking for the most widely accepted and practiced route for administering the medication. Using the most common method as the primary option helps streamline communication among healthcare professionals and aids in quick decision-making during treatment. By referencing the route that is most frequently used, it provides a standardized approach that aligns with clinical guidelines and practice patterns. This approach reflects the underlying principle in pharmacotherapy to prioritize methods that have been validated through both clinical experience and research, thus ensuring safety and efficacy in patient care.

5. What kind of services are categorized under "C" codes?

- A. Outpatient drug services
- B. Durable medical equipment
- C. Hospital outpatient services**
- D. Physical therapy

"C" codes are specifically utilized to represent services provided under the hospital outpatient setting. These codes are a subset of the HCPCS Level II coding system and are primarily intended for reporting services that occur in an outpatient facility, which includes hospitals and other outpatient service providers. Situations that use "C" codes can include a variety of procedures, diagnostics, and other services that might be delivered in an outpatient context, thus facilitating claims processing for outpatient hospital services. By coding these services appropriately, providers can ensure they are reimbursed accurately for the care delivered to patients in outpatient settings. Other categories, such as durable medical equipment or physical therapy, are represented by different codes within the HCPCS system. Outpatient drug services may involve medications provided in an outpatient facility but do not fall exclusively under "C" codes, further distinguishing them from the primary focus of "C" coding.

6. What does the code H0020 cover?

- A. General medical services for outpatient care
- B. Alcohol and/or drug treatment services**
- C. Psychiatric evaluation services
- D. Preventive screening for substance abuse

The code H0020 specifically pertains to alcohol and/or drug treatment services. This code is used within the Healthcare Common Procedure Coding System (HCPCS) Level II to indicate services and support provided for individuals dealing with substance use disorders, which include both alcohol and drug treatment. These services may involve various forms of counseling, therapy, or rehabilitation programs aimed at addressing substance misuse and helping patients achieve recovery. This code helps healthcare providers and insurers accurately identify the type of treatment being administered, ensuring proper coding for reimbursement and data recording purposes. It is important for accurate billing and reflects the healthcare system's recognition of substance use treatment as a crucial component of public health. The other options represent different categories of services which do not pertain specifically to substance use treatment.

7. What is indicated by the Quantity Alert for Physicians/Providers, represented by the green QP?

- A. Unlimited services allowed**
- B. Maximum units of service per patient per day**
- C. Variations in reimbursement rates**
- D. Documentation requirements**

The Quantity Alert for Physicians/Providers, represented by the green QP, signifies the maximum units of service that may be provided to a patient in a single day. This alert is essential for ensuring compliance with insurance policies and guidelines that dictate how many times a specific service can be billed within a certain timeframe. In practical terms, when a provider sees the green QP, they must adhere to the set limitation, which helps prevent overutilization of services and ensures that medical necessity is maintained. This focus on quantity helps in the management of patient care, ensuring that patients are receiving appropriate levels of treatment without the risk of unnecessary or excessive interventions. Therefore, understanding this alert is crucial for accurate billing and meeting regulatory expectations within healthcare practices.

8. What does the Physician Quality Reporting System (PQRS) aim to improve?

- A. Patient access to healthcare**
- B. Hospital emergency response times**
- C. Quality of care provided by physicians**
- D. Cost reduction in medical equipment**

The Physician Quality Reporting System (PQRS) was established to enhance the quality of care provided by physicians by incentivizing them to report quality data on their services. By focusing on quality metrics, the program seeks to ensure that healthcare practitioners deliver care that meets established standards, which ultimately benefits patients through improved health outcomes. It encourages physicians to track and report specific measures related to the quality of care, allowing for assessment and improvement over time. The other options do not align with the specific goals of PQRS. Access to healthcare is influenced by broader policy initiatives, and while emergency response times and cost reduction are important factors in the healthcare system, they are not the primary focus of PQRS. Therefore, the true aim of PQRS is to promote and enhance the quality of care provided by physicians.

9. What type of code is assigned to dental services in HCPCS Level II?

- A. Code A**
- B. Code B**
- C. Code D**
- D. Code G**

In HCPCS Level II, dental services are assigned to codes that start with the letter D. This designation helps categorize services specific to dental practices and is distinct from codes used for other types of medical services. The designation is crucial for billing and coding purposes, ensuring that dental procedures are properly identified and reimbursed. The context of the classifications is important; codes categorized under different letters serve different aspects of healthcare services. For instance, codes beginning with A are typically used for transportation services, while codes beginning with G are often utilized for temporary procedures or services. Understanding the specific letters assigned to different service types within the HCPCS coding system is essential for accurate coding and billing practices.

10. What does the "F" code category in HCPCS indicate?

- A. Codes for hospital inpatient services**
- B. Codes for established patient care not otherwise specified**
- C. Codes for emergency medical services**
- D. Codes for telehealth services**

The "F" code category in HCPCS specifically denotes codes for established patient care not otherwise specified. These codes are used when a healthcare provider is reporting services for patients who are already known to them, but the encounter does not fit neatly into more specific service categories or lacks sufficient detail to allow for a more precise coding. The established patient codes ensure that healthcare services for these patients are accurately captured in the billing and reimbursement process. The distinction with regard to established patient care is important in coding practices, as it provides a mechanism for appropriately documenting the complexity and specifics of the care given to those who have a prior relationship with the healthcare provider. As such, it allows institutions and practitioners to effectively track and bill for ongoing patient management and care continuity.

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://hcpcslevel2.examzify.com>

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