

# Hierarchical Conditional Category (HCC) 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

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- 1. Which set of conditions is typically the focus of HCC coding?**
  - A. Cancer, stroke, and kidney disease.**
  - B. Acute infections such as influenza.**
  - C. Diabetes, heart failure, and COPD.**
  - D. Injuries and trauma.**
  
- 2. What does HCC stand for in Medicare risk adjustment?**
  - A. Hierarchical Care Category**
  - B. Hierarchical Condition Category**
  - C. Health Care Classification**
  - D. Hospital Care Category**
  
- 3. Which of the following conditions is included on the chronic conditions list?**
  - A. Diabetes**
  - B. Cancer**
  - C. Epilepsy**
  - D. Anemia**
  
- 4. What starts the HCC coding process?**
  - A. RAF calculation**
  - B. Billing submission**
  - C. Documentation**
  - D. Code assignment**
  
- 5. Which category is listed among HCCs to watch for?**
  - A. Appendicitis**
  - B. Arrhythmias**
  - C. Osteoporosis**
  - D. Asthma**

- 6. How are RAF values combined when multiple HCCs are present in the same CY?**
- A. They are added together**
  - B. They are averaged**
  - C. They are multiplied**
  - D. Only the largest RAF is used**
- 7. After codes are submitted to Medicare, what is calculated for each patient?**
- A. Adjustment factor**
  - B. Risk score for each patient**
  - C. Length of stay**
  - D. Payment amount**
- 8. What does Hierarchical imply in HCC coding?**
- A. A ranking where higher severity codes can trump others**
  - B. A fixed list of codes with equal weights**
  - C. A non-risk adjusting category**
  - D. Only uses demographic data**
- 9. HCC coding requires what regarding date of service?**
- A. Date of Service must be within the data collection period**
  - B. Date of Service must be outside the data collection period**
  - C. There is no requirement for date of service**
  - D. Date of Service must be the same as admission date**
- 10. How are cumulative risk scores used in Medicare Advantage plans?**
- A. To determine future funding allocations**
  - B. To measure staff performance**
  - C. To set clinic hours**
  - D. To count patient visits**

## Answers

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

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## **Explanations**

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**1. Which set of conditions is typically the focus of HCC coding?**

- A. Cancer, stroke, and kidney disease.**
- B. Acute infections such as influenza.**
- C. Diabetes, heart failure, and COPD.**
- D. Injuries and trauma.**

HCC coding targets chronic, ongoing conditions that drive long-term healthcare costs and risk scores. Conditions like diabetes, heart failure, and COPD are high-impact, persistent illnesses that reliably appear across multiple visits and have well-established hierarchical relationships in the risk-adjustment model. Because they reflect ongoing disease burden, they're the typical focus for HCC coding. In contrast, acute infections such as influenza are transient events, injuries and trauma are episodic, and while cancer, stroke, or kidney disease can be chronic, they don't represent the standard mix of high-cost, persistent conditions that the HCC framework concentrates on.

**2. What does HCC stand for in Medicare risk adjustment?**

- A. Hierarchical Care Category**
- B. Hierarchical Condition Category**
- C. Health Care Classification**
- D. Hospital Care Category**

HCC stands for Hierarchical Condition Category in Medicare risk adjustment. This system groups diagnosed conditions into categories, each with a weight that reflects expected healthcare costs. A beneficiary's risk score is the sum of the weights for all applicable HCCs, often plus basic demographic factors, and this score helps determine payments. The hierarchical part means related conditions are organized so only the most severe applicable category count toward the score, preventing double counting. For example, if a patient has a condition with a simple form and a more severe, complications form, the higher-weight category drives the risk score. That's why this option is correct: Hierarchical Condition Category is the standard term used in Medicare risk adjustment. The other phrases don't match the established terminology used in this context.

**3. Which of the following conditions is included on the chronic conditions list?**

- A. Diabetes**
- B. Cancer**
- C. Epilepsy**
- D. Anemia**

Chronic conditions are health problems that persist over time and require ongoing management rather than a one-time treatment. Diabetes fits this idea because it's a lifelong condition that needs continuous care: daily monitoring of blood sugar, regular medication or insulin, lifestyle adjustments, and regular medical follow-up to prevent complications. That ongoing, self-managed nature is what makes diabetes a prime example on chronic-condition lists. The other options can be serious or long-lasting in some situations, but they aren't the standard example used to illustrate a chronic condition on many lists. Cancer, anemia, and epilepsy may involve long courses or chronic aspects, but this particular list emphasizes conditions with continuous day-to-day management from diagnosis, and diabetes clearly exemplifies that pattern.

#### 4. What starts the HCC coding process?

- A. RAF calculation
- B. Billing submission
- C. Documentation**
- D. Code assignment

Documentation starts the HCC coding process because it provides the actual diagnoses, comorbidities, and clinical details that determine which CMS-HCCs may apply. The coder uses clinician notes, problem lists, test results, and treatment plans to identify the conditions present and their severity. With this information, ICD-10-CM codes are assigned in a way that maps to specific HCCs, and those coded diagnoses feed into the risk-adjustment model. Without thorough and accurate documentation, there is nothing concrete to code or map to HCCs, so the process can't begin. Billing submission and code assignment come after documentation and coding, respectively, as downstream steps in generating the patient's risk profile.

#### 5. Which category is listed among HCCs to watch for?

- A. Appendicitis
- B. Arrhythmias**
- C. Osteoporosis
- D. Asthma

In risk adjustment, Hierarchical Condition Categories group chronic conditions that drive healthcare costs. Some conditions are flagged as watchful HCCs because they indicate ongoing, high-resource care. Cardiac arrhythmias are one of these recognized HCCs because they often require long-term management, medications, monitoring, and can lead to serious events like stroke or heart failure, all of which raise expected costs and risk. That combination makes arrhythmias the strongest fit for a category to watch. Acute conditions like appendicitis don't carry the same long-term risk signal, and while osteoporosis or asthma are important health issues, they aren't as consistently tied to the high-impact risk categories used in this particular context.

#### 6. How are RAF values combined when multiple HCCs are present in the same CY?

- A. They are added together**
- B. They are averaged
- C. They are multiplied
- D. Only the largest RAF is used

RAF values are additive when multiple HCCs are present in the same calendar year. Each HCC has a weight that reflects the extra expected costs associated with that condition, and the total RAF for the year is the sum of all those weights. This additive approach captures how having several conditions together increases overall risk. Averaging would understate risk with multiple conditions, multiplying would distort the relationship, and using only the largest would ignore other concurrent conditions that contribute to higher costs. So, the more HCCs a patient has in a year, the higher the total RAF becomes due to the straightforward sum of the individual HCC weights.

**7. After codes are submitted to Medicare, what is calculated for each patient?**

- A. Adjustment factor**
- B. Risk score for each patient**
- C. Length of stay**
- D. Payment amount**

After codes are submitted, Medicare computes a patient-specific risk score through risk adjustment. This score comes from mapping the diagnosis codes to hierarchical condition categories (HCCs), each with a weight, and then combining those weights with demographic factors like age and sex. The resulting numeric risk score estimates the expected costs for that patient and is used to adjust payments in risk-based programs—the sicker the patient, the higher the score and the higher the adjusted payment. Length of stay is an outcome, not a code-derived metric, and while payments are influenced by the risk score, the key calculation made from the submitted codes is this per-patient risk score.

**8. What does Hierarchical imply in HCC coding?**

- A. A ranking where higher severity codes can trump others**
- B. A fixed list of codes with equal weights**
- C. A non-risk adjusting category**
- D. Only uses demographic data**

Hierarchical in HCC coding means related conditions are ranked by severity, and when multiple codes could apply, the most severe one in that group drives the risk adjustment. This ensures the patient's risk score reflects the greatest impact of their conditions without double-counting milder codes. The hierarchy is about choosing the highest-severity category, not about equal weights, non-risk adjustment, or relying only on demographic data.

**9. HCC coding requires what regarding date of service?**

- A. Date of Service must be within the data collection period**
- B. Date of Service must be outside the data collection period**
- C. There is no requirement for date of service**
- D. Date of Service must be the same as admission date**

In HCC coding, the date of service used for diagnosing conditions must fall inside the designated data collection period. This window is the timeframe CMS uses to gather encounters and diagnoses for risk adjustment, so only those service dates within that period are eligible to contribute to the current year's HCC risk score. If a diagnosis is tied to a service date outside the data collection period, it isn't included in that year's risk adjustment calculation. The idea isn't about matching admission dates or about having no requirement; it's about ensuring all contributing diagnoses come from the same approved window, which keeps the scoring fair and consistent.

**10. How are cumulative risk scores used in Medicare Advantage plans?**

- A. To determine future funding allocations**
- B. To measure staff performance**
- C. To set clinic hours**
- D. To count patient visits**

Cumulative risk scores are about adjusting payments to Medicare Advantage plans based on how sick the enrolled population is. Each enrollee's health status is summarized into a risk score, which estimates their expected overall medical costs for the coming year. When a plan's enrollees' risk scores are combined, this determines how much funding the plan should receive in the next funding cycle. Higher risk scores mean higher payments to cover anticipated costs, while lower scores lead to lower payments. This risk adjustment helps ensure plans are funded fairly for the mix of health needs they serve. These scores aren't used to measure staff performance, set clinic hours, or count patient visits, which are operational or utilization issues rather than funding decisions.

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## 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://hierarchicalconditionalcat.examzify.com>**

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

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