# MCBC BILLING AND COLLECTIONS PRACTICE EXAM (SAMPLE)

## STUDY GUIDE

## SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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. External companies that perform specialized collection efforts on difficult debtors are called _____.**

A. Collection Agencies

B. Debt Buyers

C. Factoring Companies

D. Credit Bureaus

**2. An account for which the practice has exhausted all of its collection efforts and the patient's balance is still unpaid is labeled a(n) ___ account.**

A. uncollectible

B. write-off

C. bad debt

D. dormant

**3. Skip tracing typically includes obtaining which type of information?**

A. Debtor's Bank Accounts

B. Debtor's Medical Records

C. Debtor's Employment History

D. Debtor's Current Address

**4. How does bankruptcy affect a write-off for a practice?**

A. The debt is automatically forgiven.

B. The practice can ignore the bankruptcy.

C. The practice must file a claim to join creditors.

D. The practice must write off all debts.

**5. What best defines an audit trail?**

A. An audit trail logs all actions on patient accounts (edits, postings, denials, communications) and supports compliance.

B. An audit trail is a marketing report.

C. An audit trail is a patient satisfaction survey.

D. An audit trail is a daily cash report.

**6. Patients must sign off on the terms of a _____ form that the collections specialist negotiates.**

A. truth-in-lending

B. promissory note

C. credit agreement

D. billing statement

**7. Which of the following is NOT a step in setting up a prepayment plan?**

A. The patient makes a down payment.

B. The patient makes arrangements for possible postprocedure monthly payments.

C. The insurance carrier is contacted for an estimate of the patient's financial responsibility.

D. The patient schedules a follow-up appointment.

**8. The need to skip trace can be reduced by which of the following?**

A. Skipping The Billing Info

B. Increasing Billing Amounts

C. Accurately Gathering Billing Information

D. Frequent Skipping

**9. In a COB arrangement, which statement correctly describes the order of payment and how the patient balance is determined?**

A. Secondary pays first.

B. Primary pays first per policy; secondary pays remaining eligible costs; patient balance depends on deductible, coinsurance, and copays after primary payment.

C. The patient is responsible for all costs regardless.

D. Payments are split equally.

**10. Which of the following is a financial policy that should be explained to patients?**

A. Collection of copayments, coinsurance, and deductibles

B. Financial arrangements for unpaid balances

C. Day of service discounts

D. Prepayment for services

# Answers

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

# Explanations

**1. External companies that perform specialized collection efforts on difficult debtors are called _____.**

A. Collection Agencies

B. Debt Buyers

C. Factoring Companies

D. Credit Bureaus

*External collection agencies are specialized firms hired by creditors to pursue and recover difficult or inactive accounts on behalf of the original creditor. They operate outside the creditor's organization and devote their expertise to locating hard-to-find debtors, negotiating settlements, and moving accounts toward resolution, often on a contingency fee basis. This role distinguishes them from other entities: debt buyers actually purchase the delinquent debt and then attempt to collect it themselves, factoring companies finance receivables by purchasing them rather than solely collecting, and credit bureaus compile and report credit information rather than actively collecting debts.*

**2. An account for which the practice has exhausted all of its collection efforts and the patient's balance is still unpaid is labeled a(n) ___ account.**

A. uncollectible

B. write-off

C. bad debt

D. dormant

*When all reasonable collection efforts have been exhausted and the balance remains unpaid, the account is considered uncollectible. This label signals that the practice does not expect to receive payment and will typically move the amount into bad debt for financial reporting. The action of actually removing the receivable from active accounts is called a write-off, which is the step taken after deeming an account uncollectible. A dormant account implies no recent activity rather than an expectation of nonpayment. So the best fit for the status of an unpaid balance after efforts are exhausted is uncollectible.*

**3. Skip tracing typically includes obtaining which type of information?**

A. Debtor's Bank Accounts

B. Debtor's Medical Records

C. Debtor's Employment History

D. Debtor's Current Address

*Skip tracing is about locating a debtor so you can reestablish contact and begin collection efforts. The most essential piece of information to obtain is the debtor's current address because it provides a reliable way to deliver notices and verify where they live, which is the foundation for reaching out effectively. Bank accounts are private financial details and not used to locate someone. Medical records are protected information and access is restricted, so they're not appropriate sources for skip tracing. Employment history can sometimes help in locating someone, but it doesn't give a direct, current way to contact them and may be outdated. So, the focus is on obtaining the current address to restart communication with the debtor.*

## 4. How does bankruptcy affect a write-off for a practice?

A. The debt is automatically forgiven.

B. The practice can ignore the bankruptcy.

C. The practice must file a claim to join creditors.

D. The practice must write off all debts.

*In bankruptcy, a creditor must actively participate to have a chance at recovery. The way to do that is by filing a proof of claim with the court, which formally asserts the medical practice's right to be paid from the debtor's bankruptcy estate. Without filing, the practice isn't considered in the distributions and may receive nothing, even though the debtor's discharge could affect the debtor's obligations. This step is necessary regardless of the chapter (liquidation in Chapter 7 or repayment plans in Chapters 11/13). The discharge doesn't automatically erase a creditor's claim; it simply releases the debtor from the obligation if the creditor participates and the claim is allowed. That's why other options don't fit: debts aren't automatically forgiven without a formal claim, you can't ignore the bankruptcy, and you don't automatically write off all debts just because bankruptcy exists.*

## 5. What best defines an audit trail?

A. An audit trail logs all actions on patient accounts (edits, postings, denials, communications) and supports compliance.

B. An audit trail is a marketing report.

C. An audit trail is a patient satisfaction survey.

D. An audit trail is a daily cash report.

*An audit trail is a record of how a patient account has been accessed and changed, showing who did what and when. It logs actions such as edits, postings, denials, and communications, creating a traceable history of all modifications and interactions. This record supports compliance by providing accountability and data integrity: it captures user IDs, timestamps, and the specific data affected, making it possible to review the sequence of events, detect unauthorized access, and support audits or investigations. Other options don't fit because they describe functions that aren't about tracking actions on patient accounts or ensuring regulatory compliance. A marketing report summarizes outreach campaigns, a patient satisfaction survey gauges patient experience, and a daily cash report tallies cash receipts.*

## 6. Patients must sign off on the terms of a ____ form that the collections specialist negotiates.

A. truth-in-lending

B. promissory note

C. credit agreement

D. billing statement

*When a patient and the provider arrange a payment plan, the patient must understand and acknowledge the terms of that credit. Truth in Lending requirements push for disclosure of all credit terms—amount financed, APR, finance charges, total of payments, and the payment schedule—and require the patient's signature to confirm receipt and acceptance of those terms. That signed Truth in Lending form ensures the patient is informed about the cost of credit and agrees to the structured repayment, which is exactly what a collections specialist negotiates. A promissory note records the promise to pay but isn't the disclosure form with mandated terms; a credit agreement can exist but isn't the standardized disclosure document required by truth-in-lending rules; a billing statement merely lists charges and payments and does not establish or disclose credit terms.*

## 7. Which of the following is NOT a step in setting up a prepayment plan?

A. The patient makes a down payment.

B. The patient makes arrangements for possible postprocedure monthly payments.

C. The insurance carrier is contacted for an estimate of the patient's financial responsibility.

D. The patient schedules a follow-up appointment.

*Setting up a prepayment plan focuses on financing the care before it happens. The steps involved are collecting an upfront amount (down payment), arranging how the remaining balance will be paid after the procedure (postprocedure monthly payments), and obtaining an estimate of the patient's financial responsibility from the insurance carrier so the plan can be structured properly. Scheduling a follow-up appointment, while important for clinical care, is not a financing step and does not influence the terms or feasibility of the prepayment arrangement.*

## 8. The need to skip trace can be reduced by which of the following?

A. Skipping The Billing Info

B. Increasing Billing Amounts

C. Accurately Gathering Billing Information

D. Frequent Skipping

*Having up-to-date and complete billing information reduces the need to skip trace. When you know the patient's correct address, phone numbers, email, and guarantor details, notices and statements can reach them directly, so you don't have to spend time and resources trying to locate them. Accurate data means faster, more reliable contact for payment arrangements, which lowers the chances you'll need to perform skip tracing in the first place. Skipping the billing information creates more uncertainty about where and how to reach the patient, which drives the need for skip tracing. Increasing billing amounts doesn't address contactability or getting in touch, so it doesn't reduce skip tracing. Frequent skipping likewise signals repeated failures to contact the patient rather than preventing them, and it can actually increase the need for skip tracing.*

## 9. In a COB arrangement, which statement correctly describes the order of payment and how the patient balance is determined?

A. Secondary pays first.

B. Primary pays first per policy; secondary pays remaining eligible costs; patient balance depends on deductible, coinsurance, and copays after primary payment.

C. The patient is responsible for all costs regardless.

D. Payments are split equally.

*Coordination of Benefits means there are multiple insurance plans, so one is designated the payer first (primary) and another pays remaining eligible costs (secondary). The primary plan processes the claim and pays according to its contract, applying any deductible, coinsurance, or copayments. After that payment, the secondary plan is billed for whatever eligible charges remain and pays according to its own benefits. The patient's balance is then determined from what's left after these payments, taking into account any deductible not yet met, plus any coinsurance and copays required by the plans. If both payers cover the charges within their limits, the patient may owe little or nothing. If there are gaps, the patient bears the remaining amount.*

**10. Which of the following is a financial policy that should be explained to patients?**

A. Collection of copayments, coinsurance, and deductibles

B. Financial arrangements for unpaid balances

C. Day of service discounts

D. Prepayment for services

*Patients should know what they are financially responsible for at the time of service. The most important item to explain is their cost-sharing amounts—copayments, coinsurance, and deductibles—because these determine the portion they must pay directly and can vary by insurance plan. Explaining these upfront helps prevent surprises, speeds up the checkout process, and supports accurate collection of payments. It also builds transparency and trust by showing exactly why the patient owes a portion and what the insurer covers. Other policies about unpaid balances, day-of-service discounts, or prepayment requirements are useful and may be explained as applicable, but they are not the primary information patients need at the point of service.*

# 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://mcbcbillingcollections.examzify.com

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