

# WHEBP Evidence as it Relates to Cost 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. What unit is used in the commonly cited WTP threshold mentioned in the material?**
  - A. QALYs**
  - B. Life-years gained**
  - C. DALYs**
  - D. Symptom-free days**
  
- 2. In a cost-minimization analysis, which statement is true?**
  - A. Outcomes are assumed to be equal across options.**
  - B. Costs are ignored.**
  - C. The analysis requires QALYs.**
  - D. Outcomes are always better for the new intervention.**
  
- 3. Why may direct access physical therapy improve healthcare value?**
  - A. It delays treatment**
  - B. It has no impact on utilization**
  - C. It may reduce imaging, injections, surgery, and downstream healthcare utilization**
  - D. It always increases costs**
  
- 4. Which type measures outcomes in natural units such as treatment responders or disability days avoided?**
  - A. Cost-benefit analysis**
  - B. Cost-utility analysis**
  - C. Cost-effectiveness analysis**
  - D. Cost-consequence analysis**
  
- 5. Under the societal perspective, which costs and benefits are included?**
  - A. All costs and benefits across society**
  - B. Only direct medical costs**
  - C. Only patient out-of-pocket costs**
  - D. Only provider costs**

- 6. Which of the following is a direct cost component?**
- A. Treatment, medications, and equipment**
  - B. Administrative costs**
  - C. Transportation**
  - D. Training costs**
- 7. Which statement about the cost-effectiveness quadrant is true?**
- A. Upper left is better and cheaper**
  - B. Lower left is worse and cheaper**
  - C. Upper right is better but more expensive**
  - D. Lower right is better and cheaper**
- 8. Why is discounting applied in economic evaluations?**
- A. To reflect time preference for costs and outcomes**
  - B. To adjust for inflation independently**
  - C. To align patient preferences**
  - D. To correct for sampling error**
- 9. Which combination defines a dominant intervention?**
- A. Higher cost and worse outcomes.**
  - B. Lower cost and better outcomes.**
  - C. Lower cost and worse outcomes.**
  - D. Higher cost and better outcomes.**
- 10. Which type uses QALYs to express outcomes?**
- A. Cost-minimization analysis**
  - B. Cost-consequence analysis**
  - C. Cost-benefit analysis**
  - D. Cost-utility analysis**

## Answers

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

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## **Explanations**

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**1. What unit is used in the commonly cited WTP threshold mentioned in the material?**

**A. QALYs**

**B. Life-years gained**

**C. DALYs**

**D. Symptom-free days**

The main idea here is that a willingness-to-pay threshold is usually stated as cost per unit of health benefit, and the most common unit is a QALY. A QALY, or quality-adjusted life year, combines how long someone lives with how good or bad their health is during that time. One year in perfect health equals 1 QALY; if a year is lived in a health state with a utility of 0.6, that year counts as 0.6 QALYs. In cost-effectiveness analyses, we look at the incremental cost per additional QALY gained when comparing an intervention to alternatives. That makes QALYs the standard unit for expressing a WTP threshold. Why the other options don't fit as the usual unit: life-years gained measures only how long someone lives, not how well they live, so it ignores quality of life; DALYs are a burden measure rather than a unit used for deciding whether an intervention is cost-effective; symptom-free days are a specific health state metric and not the standard unit used in WTP thresholds. So the common threshold is expressed per QALY gained.

**2. In a cost-minimization analysis, which statement is true?**

**A. Outcomes are assumed to be equal across options.**

**B. Costs are ignored.**

**C. The analysis requires QALYs.**

**D. Outcomes are always better for the new intervention.**

The key idea is that outcomes are assumed to be the same across options, which lets the analysis focus solely on cost. When effectiveness is proven to be equivalent, the cheaper option is preferred because it delivers the same result at a lower total cost. If outcomes aren't truly equal, cost-minimization isn't appropriate—you'd need a framework that accounts for differences in effectiveness, like cost-effectiveness or cost-utility analysis. Costs aren't ignored in this approach; they're the basis for choosing among options once equivalence is established. QALYs come from analyses that measure utility and quality of life, which are part of cost-utility analyses, not CMA. And CMA doesn't assume the new intervention yields better outcomes; it assumes outcomes are equal and compares costs instead.

**3. Why may direct access physical therapy improve healthcare value?**

- A. It delays treatment**
- B. It has no impact on utilization**
- C. It may reduce imaging, injections, surgery, and downstream healthcare utilization**
- D. It always increases costs**

Direct access physical therapy can improve healthcare value by enabling early, guideline-consistent, conservative care for musculoskeletal issues without needing a physician referral. When patients start with PT, many problems improve through targeted exercise, manual therapy, and education, which can reduce the need for costly downstream services. This often leads to fewer imaging tests, injections, and surgical referrals, cutting overall costs while preserving or enhancing outcomes. It's not true that direct access delays treatment or has no impact on utilization, and it doesn't inherently raise costs—studies show potential reductions in downstream utilization and overall costs.

**4. Which type measures outcomes in natural units such as treatment responders or disability days avoided?**

- A. Cost-benefit analysis**
- B. Cost-utility analysis**
- C. Cost-effectiveness analysis**
- D. Cost-consequence analysis**

Outcomes in natural units are the hallmark of cost-effectiveness analysis. It reports the cost per unit of effect, such as cost per treatment responder or cost per disability day avoided. This contrasts with cost-benefit analysis, which converts effects into monetary terms to yield a net benefit, and cost-utility analysis, which uses utility-adjusted measures like QALYs. Cost-consequence analysis presents costs and multiple outcomes separately without combining them into a single ratio. So when the focus is on measuring outcomes in natural units like responders or days avoided, cost-effectiveness analysis is the best fit.

**5. Under the societal perspective, which costs and benefits are included?**

- A. All costs and benefits across society**
- B. Only direct medical costs**
- C. Only patient out-of-pocket costs**
- D. Only provider costs**

The societal perspective in economic evaluation includes all costs and benefits that affect society as a whole. It looks beyond medical bills to cover direct nonmedical costs, patient out-of-pocket expenses, caregiver time, lost productivity, transportation, and any other welfare effects. It also includes benefits like reduced disease burden and improved productivity that benefit society, even if not captured by a particular payer. Because it captures the broadest range of economic and welfare impacts, it provides the most comprehensive view for informing policy. Limiting the focus to direct medical costs, patient out-of-pocket costs, or provider costs misses important costs or benefits experienced by other stakeholders or by society at large.

**6. Which of the following is a direct cost component?**

**A. Treatment, medications, and equipment**

**B. Administrative costs**

**C. Transportation**

**D. Training costs**

Direct costs are the expenses that can be traced to delivering a specific service or patient care. Treatment, medications, and equipment are the resources directly used to diagnose, treat, and manage a patient; they are consumed in the course of care and can be attributed to that particular service. Administrative costs, transportation, and training support operations or broader programs rather than a single care episode, so they are considered indirect costs. Therefore, the direct cost component is treatment, medications, and equipment.

**7. Which statement about the cost-effectiveness quadrant is true?**

**A. Upper left is better and cheaper**

**B. Lower left is worse and cheaper**

**C. Upper right is better but more expensive**

**D. Lower right is better and cheaper**

In cost-effectiveness analysis, you compare options by how much they cost and how much health effect they produce. The ideal position is to be cheaper and more effective, meaning you get more health benefit at a lower price. On the cost-effectiveness plane, that scenario sits in the lower-right quadrant: less cost and greater effect. That's why the statement about the lower-right quadrant being better and cheaper is best. It represents a dominant option—one that saves money while delivering more health benefit, so there's no trade-off to justify. The other quadrants reflect trade-offs: options that are more effective but cost more, or options that save money but reduce effectiveness, or options that are worse on both cost and effect—none of which are as clearly preferable as the dominant, cheaper-and-better choice.

## 8. Why is discounting applied in economic evaluations?

- A. To reflect time preference for costs and outcomes**
- B. To adjust for inflation independently**
- C. To align patient preferences**
- D. To correct for sampling error**

The main idea behind discounting in economic evaluations is the value people place on benefits and costs now versus in the future. Because resources could be used elsewhere today and because future benefits could be earned or spent differently, future costs and health outcomes are worth less in present terms. Discounting converts future costs and outcomes into their present value using a chosen discount rate, so you can compare everything on an equal time basis. In practice, you typically apply the same discount rate to both costs and health outcomes to avoid bias toward immediate or delayed benefits. This reflects the opportunity cost of capital and the preference for receiving benefits sooner rather than later. Separately, researchers may adjust nominal prices for inflation to real terms, but discounting itself is about time value, not price level changes. The other ideas don't fit as the primary rationale: inflating prices separately addresses price level changes rather than the timing of benefits and costs; aligning patient preferences is about how outcomes are valued, not how their timing is valued; and correcting sampling error has to do with data accuracy, not the value of future versus present effects.

## 9. Which combination defines a dominant intervention?

- A. Higher cost and worse outcomes.**
- B. Lower cost and better outcomes.**
- C. Lower cost and worse outcomes.**
- D. Higher cost and better outcomes.**

Dominance in cost-effectiveness means one option costs less and produces better health outcomes than another. The dominant intervention is the one that both saves money and delivers superior outcomes. Here, the option that is cheaper and more effective than its comparator satisfies both conditions, making it the dominant choice. The other patterns don't dominate because they either reduce cost but worsen health, or improve outcomes but cost more, or do both, offering no overall advantage over the dominant option.

## 10. Which type uses QALYs to express outcomes?

- A. Cost-minimization analysis**
- B. Cost-consequence analysis**
- C. Cost-benefit analysis**
- D. Cost-utility analysis**

Using QALYs to express outcomes is what cost-utility analysis does. QALYs combine how long people live with the quality of that life into a single measure, so you can compare different health interventions even if they affect different aspects of health. In cost-utility analysis, you look at costs relative to QALYs gained, yielding metrics like cost per QALY gained that help assess value for money when both longevity and quality matter. Other analyses don't use QALYs: cost-minimization assumes outcomes are the same and only compares costs; cost-consequence lists multiple outcomes without aggregating them into one summary; cost-benefit translates benefits into monetary terms rather than into quality-adjusted life years.

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

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

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