CHAPTER 1: REIMBURSEMENT, HIPAA, AND COMPLIANCE

TRUE/FALSE

1. The coder's responsibility is to ensure that the data are as accurate as possible not only for classification and study purposes but also to obtain appropriate reimbursement.

   ANS: T PTS: 1 DIF: 1 TOP: THEORY

2. The *Federal Register* is the official publication for all "Presidential Documents," "Rules and Regulations," "Proposed Rules," and "Notices."

   ANS: T PTS: 1 DIF: 1 TOP: THEORY

3. Nationally, unit values have been assigned for each service by Medicare (CPT and HCPCS) and determined on the basis of the resources necessary for the physician's performance of the service.

   ANS: T PTS: 1 DIF: 1 TOP: THEORY

4. Fraud is an intentional deception or misrepresentation that an individual knows to be false or does not believe to be true and makes knowing that the deception could result in some unauthorized benefit to himself/herself or some other person.

   ANS: T PTS: 1 DIF: 1 TOP: THEORY

5. Kickbacks from patients are allowed under certain circumstances according to Medicare guidelines.

   ANS: F PTS: 1 DIF: 1 TOP: THEORY

MULTIPLE CHOICE

6. The Medicare program was established in:
   a. 1955
   b. 1960
   c. 1965
   d. 1970

   ANS: C PTS: 1 DIF: 1 TOP: THEORY

7. Medicare Part A pays for:
   a. professional services and durable medical equipment
   b. hospital/facility care
   c. physician services and durable medical equipment
   d. hospital/facility care and durable medical equipment

   ANS: B PTS: 1 DIF: 1 TOP: THEORY

8. Medicare Part B pays for:

a. durable medical equipment
b. hospital/facility care
c. physician services and durable medical equipment
d. hospital/facility care and durable medical equipment

ANS: C PTS: 1 DIF: 1 TOP: THEORY

9. Who handles the day-to-day operation of the Medicare program for the CMS?
a. HCFA
b. peer review organization
c. MACs
d. IPPS

ANS: C PTS: 1 DIF: 1 TOP: THEORY

10. Medicare pays for what percentage of covered charges?
a. 70%
b. 75%
c. 80%
d. 85%

ANS: C PTS: 1 DIF: 1 TOP: THEORY

11. The incentive to Medicare participating providers is:
a. direct payment on all claims
b. a 5% higher fee schedule
c. faster processing
d. all of the above

ANS: D PTS: 1 DIF: 1 TOP: THEORY

12. Part B services are billed using:
a. RBRVS, GPCI, and RVUs
b. ICD-10-CM, CPT, HCPCS
c. MS-DRGs
d. APCs

ANS: B PTS: 1 DIF: 1 TOP: THEORY

13. Who is the largest third-party payer in the nation?
a. Blue Cross Blue Shield
b. Aetna
c. Cigna
d. the government

ANS: D PTS: 1 DIF: 1 TOP: THEORY

14. A major change took place in Medicare in ____ with the enactment of the Omnibus Budget Reconciliation Act.
a. 1989
b. 1992
c. 1997
d. 2000

ANS: A PTS: 1 DIF: 1 TOP: THEORY

15. The physician fee schedule is updated each April 15 and is composed of:
a. the relative value units for each service
b. a geographic adjustment factor to adjust for regional variations in the cost of operating a health care facility
c. a national conversion factor
d. all of the above
e. none of the above

ANS: D PTS: 1 DIF: 3 TOP: THEORY

16. If a surgeon performs more than one procedure on the same patient on the same day, and discounts were made on all subsequent procedures, Medicare would pay what percentages for the first, second, third, fourth, and fifth procedures?
    a. 100%, 100%, 100%, 100%, 100%
    b. 100%, 50%, 50%, 50%, 25%
    c. 100%, 50%, 50%, 25%, 25%
    d. 100%, 50%, 50%, 50%, 50%

    ANS: D PTS: 1 DIF: 2 TOP: THEORY

17. Medicare sets the payment level for assistant surgeons at a percentage of the fee schedule amount for the ____ surgical service.
    a. global
    b. united
    c. partial
    d. subsequent

    ANS: A PTS: 1 DIF: 2 TOP: THEORY

18. What edition of the *Federal Register* would hospital facilities be especially interested in?
    a. October
    b. November or December
    c. January
    d. July

    ANS: A PTS: 1 DIF: 2 TOP: THEORY

19. What edition of the *Federal Register* would outpatient facilities be especially interested in?
    a. October
    b. November or December
    c. January
    d. July

    ANS: B PTS: 1 DIF: 2 TOP: THEORY

20. What are the three items that the Medicare beneficiaries are responsible for paying before Medicare will begin to pay for services?
    a. personal care items
    b. deductibles, drug costs, personal care items
    c. premiums
    d. deductibles, premiums, and coinsurance

    ANS: D PTS: 1 DIF: 3 TOP: THEORY

21. Medicare funds are collected by:
    a. U.S. Food and Drug Administration
    b. Social Security Administration
    c. National Centers for Health Statistics
    d. Department of the Treasury

    ANS: B PTS: 1 DIF: 3 TOP: THEORY

22. CMS handles the daily operation of the Medicare program through the use of ____ ____ ____, formerly Fiscal Intermediaries.
    a. Medical Adjustment Contractor
    b. Medicare Administrative Cooperative
    c. Medicare Administrative Contractors
    d. Medical Administrative Contractors

ANS: C PTS: 1 DIF: 1 TOP: THEORY

23. Which of the following is NOT a stated goal of the Physician Payment Reform?
    a. decrease Medicare expenditures
    b. assure quality health care at a reasonable cost
    c. limit provider liabilities
    d. redistribute physician payment more equitably

ANS: C PTS: 1 DIF: 1 TOP: THEORY

24. If a QIO provider renders a covered service that costs $100 and bills Medicare for the service and Medicare allowed $58, the provider would bill this amount to the patient.
    a. $42
    b. $58
    c. $100
    d. $0

ANS: D PTS: 1 DIF: 1 TOP: THEORY

25. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established these new benefits available under the Medicare program.
    a. Part A
    b. Part B
    c. Part C
    d. Part D

ANS: D PTS: 1 DIF: 1 TOP: THEORY

26. This program is also known as Medicare Advantage.
    a. Part A
    b. Part B
    c. Part C
    d. Part D

ANS: C PTS: 1 DIF: 1 TOP: THEORY

27. ____ are activities involving the transfer of health care information and ____ means the movement of electronic data between two entities and the technology that supports the transfer.
    a. Transmissions, transaction
    b. Transactions, transmission
    c. Interchanges, transmission
    d. Transmissions, interchange

ANS: B PTS: 1 DIF: 1 TOP: THEORY

28. The _____ program was developed by Congress to monitor the necessity of hospital admissions and review the treatment costs and medical records of hospitals.
    a. Medicare Administrative Contractors (MACs)
    b. Quality Improvement Organizations (QIO)
    c. Health Maintenance Organization (HMO)
    d. Special Needs Plan (SNP)

ANS: B PTS: 1 DIF: 1 TOP: THEORY

29. The conversion factor (CF) is a national dollar amount that is applied to all services paid on the basis of the _____.
    a. Special Needs Plan
    b. Affordable Care Act
    c. Private Fee-for-Service Plan
    d. Medicare Fee Schedule

ANS: D PTS: 1 DIF: 1 TOP: THEORY

30. Identify the Medicare part with this coverage: Hospice care
    a. Part A
    b. Part B
    c. Part D

    ANS: A PTS: 1 DIF: 1 TOP: THEORY

31. Identify the Medicare part with this coverage: Prescription drug
    a. Part A
    b. Part B
    c. Part D

    ANS: C PTS: 1 DIF: 1 TOP: THEORY

32. Identify the Medicare part with this coverage: Physician visits
    a. Part A
    b. Part B
    c. Part D

    ANS: B PTS: 1 DIF: 1 TOP: THEORY

33. Identify the Medicare part with this coverage: Automatic coverage when age 65
    a. Part A
    b. Part B
    c. Part D

    ANS: A PTS: 1 DIF: 1 TOP: THEORY

COMPLETION

Identify these acronyms.

34. CMS _____

    ANS: Centers for Medicare and Medicaid Services

    PTS: 1 DIF: 3 TOP: THEORY

35. QIO _____

    ANS: Quality Improvement Organizations

    PTS: 1 DIF: 3 TOP: THEORY

36. RBRVS _____

    ANS: Resource Based Relative Value Scale

    PTS: 1 DIF: 3 TOP: THEORY

37. OBRA _____

ANS: Omnibus Budget Reconciliation Act

PTS: 1 DIF: 3 TOP: THEORY

38. MAAC _____

ANS: Maximum Actual Allowable Charge

PTS: 1 DIF: 3 TOP: THEORY

39. RVU _____

ANS: Relative Value Unit

PTS: 1 DIF: 3 TOP: THEORY

40. OIG _____

ANS: Office of the Inspector General

PTS: 1 DIF: 3 TOP: THEORY

41. DHHS _____

ANS: Department of Health and Human Services

PTS: 1 DIF: 3 TOP: THEORY

Answer the following.

42. In the role as a medical coder, it is your responsibility to ensure that you code _____ and completely to optimize reimbursement for services provided.

ANS: accurately

PTS: 1 DIF: 3 TOP: THEORY

43. The _____ (two words) is a national dollar amount that is applied to all services paid on the basis of the MFS.

ANS: conversion factor

PTS: 1 DIF: 3 TOP: THEORY

44. The amount determined by multiplying the RVU weight by the geographic index and the conversion factor is called the _____ (two words) amount.

ANS: fee schedule

PTS: 1 DIF: 3 TOP: THEORY

45. For endoscopic procedures, Medicare allows the full value of the highest valued endoscopy, plus the difference between the next highest endoscopy and the _____ endoscopy.

ANS: highest

PTS: 1 DIF: 3 TOP: THEORY

46. The provider or facility is _____ when the payment goes directly to the patient.

ANS: nonparticipating

PTS: 1 DIF: 1 TOP: THEORY

47. Under the RBRVS, the unit value is termed _____ Value Unit.

ANS: Relative

PTS: 1 DIF: 1 TOP: THEORY

MULTIPLE RESPONSE

48. Select the three goals of the Physician Payment Reform.
    a. increase maximum allowable charge
    b. decrease Medicare expenditures
    c. redistribute physician payments more equitably
    d. remove standard rates of increase
    e. clarify the provisions of the physician fee schedule
    f. assure quality health care at a reasonable cost

ANS: B, C, F PTS: 1 DIF: 5 TOP: THEORY

49. Select the three components of the relative value unit.
    a. work
    b. beneficiary
    c. training
    d. malpractice
    e. processing
    f. overhead

ANS: A, D, F PTS: 1 DIF: 5 TOP: THEORY

50. Select the three types of persons eligible for Medicare.
    a. those with permanent kidney failure
    b. those with chronic conditions
    c. those 65 and over
    d. those 60 and over
    e. those with disability benefits

ANS: A, C, E PTS: 1 DIF: 4 TOP: THEORY