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**Vendor:** HFMA

**Exam Code:** CHFP

**Exam Name:** Certified Healthcare Financial Professional

**Version:** Demo

**QUESTION 1**

The key factors that have contributed to the higher cost of health care include:

- A. Technology, aging population, chronic disease and litigation
- B. Aging population, chronic disease, performance payment and litigation
- C. Technology, performance payment and litigation
- D. All of the above

**Correct Answer:** A

**QUESTION 2**

What change the basis of payment for hospital outpatient services from a flat fee for individual services to fixed reimbursement for bundled services?

- A. Cost payment system
- B. Ambulatory payment classifications
- C. Cost compliance and litigation
- D. None of the above

**Correct Answer:** B

**QUESTION 3**

when providers try to get one payor to pay for costs that have not been covered by another payor, this refers to:

- A. Cost Capacity
- B. Cost capitalization
- C. Cost-shifting
- D. Prospective cost

**Correct Answer:** C

**QUESTION 4**

The combination of age and technology has increased cost with the passage of time.

- A. True
- B. False

**Correct Answer:** A

**QUESTION 5**

Prescription drug coverage for Medicare enrollees, which offsets some of the out-of-pocket costs for medications, this covers:

- A. Medicare Part A
- B. Medicare Part B
- C. Medicare Part D
- D. Medicare Part F

**Correct Answer:** C

**QUESTION 6**

The need to abide by governmental regulations, whether they are for the provision of care, billing, privacy accounting standards, security or the like refers to:

- A. Compliance

- B. Chronic Medicare
- C. Health proactive standards
- D. None of the above

**Correct Answer: A**

**QUESTION 7**

that providers have to pay insurers to cover the cost of defending against the lawsuits and paying large jury awards.

- A. Ambulatory payment classifications
- B. Reimbursement Insurance cost plan
- C. Health proactive Insurance standard act
- D. Increased insurance premiums

**Correct Answer: D**

**QUESTION 8**

A set of federal compliance regulations to ensure standardization of billing, privacy and reporting as institutions convert to electronic systems is called:

- A. Health Insurance standard Act
- B. Reimbursement Insurance Act
- C. Medicare Reporting Act
- D. Health Insurance portability and Accountability Act

**Correct Answer: D**

**QUESTION 9**

In which act, federal legislation designed to tighten accounting standards in financial reporting and that holds top executives personally liable as to the accuracy and fairness of their financial statements?

- A. Sarbanes-Oxley Act
- B. Insurance accountability Act
- C. Financial statement Act
- D. Portability and Accountability Standardized Act

**Correct Answer: A**

**QUESTION 10**

Stark law states that:

- A. Legislation enacted by HIPAA to guard against providers' ordering self-referrals for Medicare or Medicaid patients directly to any settings in which they have a vested financial interest.
- B. Legislation enacted by CMS to guard against providers' ordering self-referrals for Medicare or Medicaid patients directly to any settings in which they have a vested financial interest.
- C. Legislation enacted by CMS to guard against providers' ordering self-referrals for Medicare or Medicaid patients indirectly to any settings in which they have a vested financial interest.
- D. Legislation enacted by HIPAA to guard against providers' ordering self-referrals for Medicare or Medicaid patients indirectly to any settings in which they have a vested financial interest.

**Correct Answer: B**

**QUESTION 11**

Which one of the following is NOT the factor of Uninsured?

- A. Health insurance premiums becoming too costly
- B. Requiring patients to pay for the part of their own care-up

- C. Individuals being screened out of insurance policies
- D. Employers feeling they cannot afford to continue to provide health insurance as a benefit

**Correct Answer:** B

**QUESTION 12**

Concurrent review states that:

- A. Planning appropriateness and medical necessity of a hospital stay while the patient is in the hospital and implementing discharge planning.
- B. Monitoring appropriateness and medical necessity of a hospital stay while the patient is not in the hospital and try to implement discharge planning.
- C. Planning appropriateness and medical necessity of a hospital stay while the patient is not in the hospital and try to implement preadmission planning.
- D. Monitoring appropriateness and medical necessity of a hospital stay while the patient is in the hospital and implementing discharge planning.

**Correct Answer:** D

**QUESTION 13**

Gatekeepers requiring a patient to obtain a referral from his or her primary care physician, the gatekeeper, before assign a specialist.

- A. True
- B. False

**Correct Answer:** A

**QUESTION 14**

Requiring providers to have their capital expenditures preapproved by an independent state agency to avoid unnecessary duplication of services is referred to as:

- A. Preapproval certifications and opinions
- B. Preapproved payments
- C. Certificate of need
- D. State service reviews

**Correct Answer:** C

**QUESTION 15**

Which one of the following systems is used to classify inpatients based o their diagnoses, used by both Medicare and private insurers?

- A. Diagnosis-related groups
- B. Proactive payments system
- C. Payment insurance group
- D. None of the above

**Correct Answer:** A

**QUESTION 16**

A system that pays providers a specific amount in advance to care for defined health care needs of a population over a specific period is called:

- A. Health care system
- B. Prospective payments system
- C. Global payment system
- D. Capitation

**Correct Answer:** D

**QUESTION 17**

Risk pool is:

- A. A generally small population of individuals who are all uninsured under the same arrangement, regardless of working status
- B. A generally large population of individuals who are all insured under the same arrangement, regardless of working status
- C. A generally large population of groups who are all uninsured under the different arrangement, regardless of working status
- D. A generally small population of individuals who are all insured under different arrangement, regardless of working status

**Correct Answer:** B

**QUESTION 18**

A system to pay providers whereby the fees for all providers are included in a single negotiated amount is called:

- A. Single member per month payment
- B. Global payment
- C. Revolutionary payment
- D. Ambulatory payment

**Correct Answer:** B

**QUESTION 19**

Which organizations are the third party entities that contract with multiple hospitals to offer cost savings in the purchase of supplies and equipment by negotiating large-volume discounted contract with vendors?

- A. Cost saving organizations
- B. Global payment organizations
- C. Group purchasing organizations
- D. Cost-accounting organizations

**Correct Answer:** C

**QUESTION 20**

An electronic health record or electronic medical record is an electronics capture of all of a patient's encounters and health information over a short period of time.

- A. True
- B. False

**Correct Answer:** B

**QUESTION 21**

A process that specifies in advance the preferred treatment regimen for patients with particular diagnoses is called:

- A. Retail health care
- B. Diagnosis care
- C. Complementary medicine
- D. Care mapping

**Correct Answer:** D

**QUESTION 22**

Medial home states that:

- A. A partnership between primary care providers (PCPs), patients and their families to deliver comprehensive care over the long-term in a variety of settings.
- B. A proprietorship of primary care providers (PCPs), patients and their families to deliver comprehensive care over the long-term in their own variety of settings.
- C. A partnership between primary care providers (PCPs), patients and their families that do not deliver comprehensive care over the long-term in a variety of settings.
- D. A partnership between primary care providers (PCPs), patients and their families to deliver comprehensive care just for a short period of time in a variety of settings.

**Correct Answer:** A

**QUESTION 23**

Which of the following are the four aspects that all the businesses are required to produce financial statements at least annually?

- A. Balance sheet, statement of operations, statement of changes in equity, statement of expense
- B. Journals, statement of operations, statement of changes in equity, statement of expense
- C. Balance sheet, statement of operations, statement of changes in equity, statement of cash flow
- D. Balance sheet, statement of operations, statement of controlled liabilities, statement of expense

**Correct Answer:** C

**QUESTION 24**

Balance sheet is majorly composed of:

- A. heading, body and notes
- B. heading, preliminary side bullets and notes
- C. footers, body and notes
- D. heading, body and footers

**Correct Answer:** A

**QUESTION 25**

At the top of the balance sheet there is a three-line heading that includes name of the organization, name of statement and

- A. One date
- B. Two dates
- C. Three dates
- D. none of the above

**Correct Answer:** B

**QUESTION 26**

A major difference between the balance sheet of an investor-owned and a non-profit health care organization is in the section.

- A. owners' asset
- B. owners' liability
- C. owners' equity
- D. owners' expense

**Correct Answer:** C

**QUESTION 27**

Two dates are often shown so that the reader can compare two successive periods, this is called:

- A. comparative net assets
- B. comparative balance sheet
- C. comparative income statement
- D. comparative cash flows

**Correct Answer:** B

**QUESTION 28**

The resources that the organization owns, typically recorded at their original costs are called assets.

- A. True
- B. False

**Correct Answer:** A

**QUESTION 29**

The financial obligations of the organization are known as:

- A. comparative net assets
- B. liabilities
- C. expenses
- D. none of the above

**Correct Answer:** B

**QUESTION 30**

Net assets are:

- A. The difference between an organization's assets and liabilities
- B. The difference between an owner's assets and liabilities
- C. The difference between a shareholder's assets and expenses
- D. The difference between a stakeholder's assets and expenses

**Correct Answer:** A

**QUESTION 31**

In investor-owned organizations, the accounting equation is:

- A. Assets are equal to the sum of liabilities and owner's equity
- B. Assets are equal to the sum of liabilities and shareholder's equity
- C. Assets are equal to the sum of liabilities and proprietor's equity
- D. Assets are equal to the sum of liabilities and net assets

**Correct Answer:** B

**QUESTION 32**

If assets are equal to the sum of liabilities and net assets in an accounting equation then this equation is feasible for:

- A. Investor-owned organizations
- B. Profit-based organizations
- C. Non-profit based organizations
- D. None of the above

**Correct Answer:** C

**QUESTION 33**

Which of the following is NOT included in current assets?

- A. Cash and cash equivalents
- B. short-term investments
- C. patient accounts receivables
- D. long-term investments

**Correct Answer:** D

**QUESTION 34**

A measure of how quickly an asset can be converted into cash is called:

- A. Cash conversion
- B. Asset conversion
- C. Liquidity
- D. Equity

**Correct Answer:** C

**QUESTION 35**

Cash (or cash equivalents) is the most liquid asset on the balance sheet.

- A. True
- B. False

**Correct Answer:** A

**QUESTION 36**

By subtracting contractual allowances and charity care discounts from gross patient accounts receivables, what remains is:

- A. Patients accounts payable
- B. Patients accounts receivable
- C. Patients accounts bill
- D. Patients cash income

**Correct Answer:** B

**QUESTION 37**

Health care organizations also present an estimate of how much of their patient accounts receivables they likely will not be able to collect, this estimate is called:

- A. Allowance for collectables
- B. Expense for collectables
- C. Allowance for uncollectables
- D. Expense for uncollectables

**Correct Answer:** C

**QUESTION 38**

Supplies refer to small-dollar items that will be used up or fully consumed within more than two years.

- A. True
- B. False

**Correct Answer:** B

**QUESTION 39**

What refers to relatively expensive items that will be used over a long period?

- A. Supplies
- B. Taxes
- C. Assets
- D. Equipments

**Correct Answer:** D

**QUESTION 40**

What is relatively costly item that allow the organization to deliver service over time?

- A. Equipment
- B. Supplies
- C. Noncurrent asset
- D. Current asset

**Correct Answer:** C

**QUESTION 41**

Noncurrent assets require special management attention because of their liquidity and transportability, current assets require special attention because of their cost and extensive time horizon it takes to plan, acquire and manage them.

- A. True
- B. False

**Correct Answer:** B

**QUESTION 42**

Assets limited to use, long-term investments, property and equipment are all categories of:

- A. Current assets
- B. Account investments
- C. Noncurrent assets
- D. None of the above

**Correct Answer:** C

**QUESTION 43**

is a measure of how much a tangible asset (such as plant or equipment) has been used up or consumed.

- A. Depreciation
- B. Equity
- C. Retail cost
- D. None of the above

**Correct Answer:** A

**QUESTION 44**

The total amount of depreciation taken on as asset since it was put into use is called:

- A. Approved Depreciation
- B. Accumulated Depreciation
- C. Accounted Depreciation

D. All of the above

**Correct Answer:** B

**QUESTION 45**

What are the financial obligations that, due to their contractual terms, will be paid within one year?

- A. Current assets
- B. Current liabilities
- C. Current financial reviews
- D. Current payors

**Correct Answer:** B

**QUESTION 46**

Estimated third party payor settlements are the category of?

- A. Current assets
- B. Current Equity
- C. Current Expenses
- D. Current liabilities

**Correct Answer:** D

**QUESTION 47**

Which are the obligations to pay suppliers who have sold the health care organization goods or services on credit?

- A. Account suppliers
- B. Account payable
- C. Account receivable
- D. Accrued Account

**Correct Answer:** B

**QUESTION 48**

Accrued expenses are the liabilities and are reflected in the balance sheet.

- A. True
- B. False

**Correct Answer:** A

**QUESTION 49**

For not-for-profit health care providers, the net assets section of the balance sheet is analogous to the owner's equity section of a for-profit organization's statement of cash flow.

- A. True
- B. False

**Correct Answer:** B

**QUESTION 50**

Stockholders equity for investors-owned organizations represents:

- A. Stock and retained earnings
- B. Stock and accrual earnings
- C. Stock and sales

D. Stock and purchase

**Correct Answer:** A

**QUESTION 51**

Which of the following is NOT the body of the income statement for investor-owned health care organizations?

- A. Operating income
- B. Non-operating income
- C. Income for taxes
- D. Excess of revenues

**Correct Answer:** D

**QUESTION 52**

Which of the following is NOT the body of the statement of operations for non-for-profit health care organizations?

- A. Operating income
- B. Non-operating income
- C. Net income
- D. Excess of revenues

**Correct Answer:** B

**QUESTION 53**

uses the accrual basis of accounting, which summarizes how much the organization earned and the resources it used to generate that income during a period of time.

- A. Balance sheet
- B. Non-operating income
- C. Statement of operations
- D. Accounting system for income

**Correct Answer:** C

**QUESTION 54**

Revenues represent amounts earned by the organization, not the amount of it received during the period.

- A. Cash
- B. Credit
- C. Revenue
- D. Expense

**Correct Answer:** A

**QUESTION 55**

Premium revenues are the revenues earned from capitated contracts which are not earned solely through the delivery of service but rather through a passage of time.

- A. True
- B. False

**Correct Answer:** A

**QUESTION 56**

Which are a measure of the amount of resources used or consumed in providing a service, not cash-out flows?

- A. Operating income
- B. Credit
- C. Revenue
- D. Expense

**Correct Answer:** D

**QUESTION 57**

Income derived from the organization's main line of business is called:

- A. Depreciated income
- B. Operative income
- C. Net income
- D. None of the above

**Correct Answer:** B

**QUESTION 58**

The allocation of the acquisition cost of debt to the period which it benefits refers to:

- A. Depreciated income
- B. Accrual expense
- C. Net income
- D. Amortization

**Correct Answer:** D

**QUESTION 59**

Bad debt expense is:

- A. the estimate of patient accounts payables that will not be collected.
- B. the estimate of patient accounts receivables that will be collected.
- C. the estimate of patient accounts receivables that will not be collected.
- D. the estimate of patient accounts payables that will be collected.

**Correct Answer:** C

**QUESTION 60**

Working capital is:

- A. Current assets and current liabilities
- B. Current expenses and current revenues
- C. Expected assets and expected liabilities
- D. Expected expenses and expected revenues

**Correct Answer:** A

**QUESTION 61**

The difference between current assets and current liabilities is called:

- A. Net accounting gain
- B. Net expenditure
- C. Net working capital
- D. Net profit

**Correct Answer: C**

**QUESTION 62**

Which of the following is NOT the phase of the working capital cycle?

- A. Obtaining cash
- B. Turning cash into resources
- C. Resources are restricted to be used seldom
- D. Billing patients for the services and collecting revenues

**Correct Answer: C**

**QUESTION 63**

How much extra working capital an organization determines it must keep as a cushion is called its:

- A. Obtaining cash strategy
- B. Working capital strategy
- C. Financing mix strategy
- D. Billing strategy

**Correct Answer: B**

**QUESTION 64**

A strategy that refers to how an organization chooses to finance its working capital needs is called:

- A. Asset mix
- B. Aggressive mix
- C. Conservative mix
- D. Financing mix

**Correct Answer: D**

**QUESTION 65**

A health care organization that utilizes an aggressive asset mix strategy seeks to minimize its returns by investing in non-liquid assets but faces the risk of lower liquidity.

- A. True
- B. False

**Correct Answer: B**

**QUESTION 66**

If the organization has long-term working capital financing needs, it is better off financing needs with short-term financing under normal conditions.

- A. True
- B. False

**Correct Answer: A**

**QUESTION 67**

are variable in short-term and fixed in long-term under normal conditions for working capital.

- A. Interest rates
- B. Volatility risks
- C. Profits
- D. Interest costs

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