MULTIPLE CHOICE

1. The business of protecting, through legal means, a person or property against loss or harm is referred to as
   a. prevention.
   b. insurance.
   c. a contract.
   d. preclusion.

   ANS: B REF: p. 2

2. Health insurance narrows down undesirable events to
   a. illnesses and injuries.
   b. automobile accidents.
   c. preventive illnesses.
   d. preexisting conditions.

   ANS: A REF: p. 2

3. *Securitas* is the Latin term for
   a. services.
   b. specialist.
   c. security.
   d. success.

   ANS: C REF: p. 3

4. In the United States, the “birth” of health insurance occurred in
   a. 1889.
   b. 1900.
   c. 1915.
   d. 1929.

   ANS: D REF: p. 3

5. The federal healthcare program for the elderly and certain qualifying others is
   a. Medicare.
   b. Medicaid.
   c. Blue Cross.
   d. health maintenance.

   ANS: A REF: p. 4

6. The combined federal and state healthcare program for indigent and low-income individuals is
   a. Medicare.
   b. Medicaid.
   c. Blue Cross.
   d. health maintenance.

   ANS: B REF: p. 4

7. One of the new healthcare laws enacted in 2010 that brought major changes to how Americans can get access to healthcare more easily is the
   a. Health Insurance Portability and Accountability Act (HIPAA).
   b. Health Maintenance Organization (HMO) Act.
   c. Patient Protection and Affordable Care Act (PPACA).
   d. Consolidated Omnibus Budget Reconciliation Act (COBRA).

   ANS: C REF: p. 6

8. Congress passed the Health Maintenance Organization Act in
   a. 1950.
   b. 1965.
   c. 1973.
   d. 1987.

   ANS: C REF: p. 5

9. Factors listed in the text that drive healthcare issues include all of the following *except*
   a. regulating managed care plans.
   b. expanding access for uninsured Americans.
   c. increasing genetic testing.
   d. stabilizing emergency services.

   ANS: C REF: p. 7

10. Many employed individuals obtain healthcare coverage through a/an
    a. group plan.
    b. individual policy.
    c. government-sponsored program.
    d. guaranteed insurance pool.

    ANS: A REF: p. 7

11. A set of government-regulated, standardized plans eligible for federal subsidies from which individuals can purchase low-cost health insurance.
    a. COBRA plans
    b. Health insurance exchanges
    c. Indemnity plans
    d. Managed care plans

    ANS: B REF: p. 7

12. The acronym for the congressional act that standardized electronic data interchange, enhanced confidentiality and security of patient information as well as other health-related matters is
    a. AMA.
    b. COBRA.
    c. HIPAA.
    d. EMTLA.

    ANS: C REF: p. 8

13. The situation in which patients pay a certain portion of healthcare costs (e.g., deductible and copayment) is called
    a. cost sharing.
    b. equalizing.
    c. standardizing.
    d. community rating.

    ANS: A REF: p. 10

14. A system of healthcare payment or delivery arrangements in which the plan attempts to control the use of services by its enrolled members to contain expenditures and/or improve quality.
    a. Managed healthcare
    b. Fee-for-service
    c. Health insurance exchange
    d. Indemnity insurance

    ANS: A REF: p. 10

15. Fee-for-service healthcare plans are also referred to as
    a. managed care.
    b. preventive plans.
    c. indemnity insurance.
    d. health maintenance organizations.

    ANS: C REF: p. 10

16. The Patient Protection and Affordable Care Act was passed in
    a. 1999.
    b. 2005.
    c. 2008.
    d. 2010.

    ANS: D REF: p. 6

17. The “graying of America” refers to those who
    a. are 65 years of age or older.
    b. work in “blue collar” jobs.
    c. do not have a high school diploma.
    d. are not American citizens.

    ANS: A REF: p. 9

18. Which of the following *is not* a provision of HIPAA?
    a. Allows portability of health insurance coverage.
    b. Protects workers and their families from preexisting conditions.
    c. Establishes national standards for electronic healthcare.
    d. Addresses the high cost of health insurance.

    ANS: D REF: p. 8

19. The program that provides insurance for qualifying children who are ineligible for Medicaid but cannot afford private insurance is called
    a. CHIP.
    b. COBRA.
    c. ARRA.
    d. HIPAA.

    ANS: A REF: p. 8

20. Recent healthcare reform has introduced two new types of healthcare plans that the text mentions are “on the horizon” are
    a. Medicare and Medicaid.
    b. Health Insurance Exchanges and Accountable Care Organizations.
    c. SCHIP and COBRA.
    d. HMOs and HIPAA.

    ANS: B REF: p. 11

COMPLETION

1. The amount of money an individual pays in return for health insurance coverage is called a/an _____.

   ANS: premium

   REF: p. 2

2. The transformation of health insurance from what it was in the beginning to what we know it to be today can be compared with an organic process referred to as _____.

   ANS: metamorphosis

   REF: p. 4

3. In 1850, the Franklin Health Assurance Company began offering medical expense coverage, similar to today’s health insurance, in the state of _____.

   ANS: Massachusetts

   REF: p. 3

4. The out-of-pocket expense that patients must pay before insurers begin paying benefits is called a/an _____.

   ANS: deductible

   REF: p. 5

5. A condition or illness that is in existence before an individual’s healthcare coverage begins is called a/an _____.

   ANS: preexisting condition

   REF: p. 7

6. The type of healthcare policy that a business entity frequently offers its employees is called a/an _____ policy.

   ANS: group

   REF: p. 7

7. Healthcare plans that provide cost-effective care while attempting to contain expenditures are referred to as _____.

   ANS: managed healthcare

   REF: p. 10

8. The two major sources of health insurance are _____ programs and _____ organizations.

   ANS:
   government; private
   government, private

   REF: p. 7

9. The two basic types of healthcare are _____ and _____.

   ANS:
   indemnity, managed care
   fee-for-service, managed care
   managed care, fee-for-service
   managed care, indemnity
   indemnity managed care
   fee-for-service managed care
   managed care fee-for-service
   managed care indemnity

   REF: p. 10

10. The federal act that allows employees who quit their jobs or get laid off to extend their group coverage is known by the acronym _____.

    ANS: COBRA

    REF: p. 8

TRUE/FALSE

1. Healthcare providers and companies that sell insurance have determined it is less costly to prevent serious illnesses than to treat them after they emerge.

   ANS: T REF: p. 2

2. Justin Ford Kimball introduced a health plan in Dallas in 1929 that evolved into what is known today as Medicare.

   ANS: F REF: p. 3

3. Usually, there are no deductibles to be met or claim forms to be completed with HMOs.

   ANS: T REF: p. 5

4. A health insurance exchange is an organized and competitive market that offers a choice of plans with common rules governing cost and provides information so consumers can understand the choices available to them.

   ANS: T REF: p. 7

5. Under HIPAA, employees who quit their jobs or are laid off can extend their group healthcare coverage for up to 5 years.

   ANS: F REF: p. 8

6. One of the factors that drives up healthcare costs is the fact that Americans are living longer than ever before.

   ANS: T REF: p. 9

7. Media coverage is instrumental in keeping healthcare costs down.

   ANS: F REF: p. 10

8. Under the new healthcare law, ACOs agree to manage all of the healthcare needs of a minimum of 5,000 Medicare beneficiaries for at least 3 years.

   ANS: T REF: p. 11

9. Medicare provides healthcare coverage for qualifying low-income individuals.

   ANS: F REF: p. 11

10. The two basic types of health insurance plans are indemnity and managed care.

    ANS: T REF: p. 10

11. Because health insurance is constantly evolving, there will no doubt always be issues to face, such as keeping costs down and preventing chronic illnesses.

    ANS: T REF: p. 7

12. Individuals who are employed by a business are always covered by a group healthcare plan.

    ANS: F REF: p. 7

13. The Affordable Care Act does not eliminate or affect COBRA.

    ANS: T REF: p. 8

14. The new healthcare reform laws make it more difficult for Americans to qualify for state Medicaid programs.

    ANS: F REF: p. 8

15. With the passage of the Affordable Care Act, insurance companies can deny coverage to children with preexisting illnesses until they are 18 years old.

    ANS: F REF: p. 6