

**Following are mock questions. The correct answer is in bold and an explanation of the correct answer follows each question. These questions give examples of key words to look for when responding to questions.**

1. In a dispute between two staff physicians, the **primary** role of the CEO is to:
  - 1) ask a representative of the governing authority to mediate the dispute.
  - 2) avoid any involvement in the dispute.
  - 3) meet with both parties as soon as the problem is identified.
  - 4) **request the appropriate chief(s) of service to investigate and report back.**

Answer 4 is correct. This question requires knowledge of the CEO's role in mediating disputes and the reporting relationships within a healthcare facility. The staff physicians report to the chief(s) of service who, in return, report to the CEO.

2. Environmental changes, including shifts in public attitudes, community health needs, provider practices and actions of competing institutions, may alter a healthcare institution's direction. Healthcare executives could be forced to:
  - 1) reduce levels of patient care to the level of payments received.
  - 2) **scrutinize all new ventures from a variety of perspectives, including financial, environmental, ethical and quality of care.**
  - 3) eliminate patient-care programs that do not pay for themselves.
  - 4) place ceilings on those financial categories of patients that pay less than full operating costs.

Answer 2 is a proactive response and it is the most inclusive answer. It provides a variety of perspectives that must be considered when changing a healthcare institution's direction.

3. Committees are an important management tool **primarily** because:
- 1) **they provide a mechanism for reconciling differing opinions and facilitating decision making.**
  - 2) they are the only way of providing for intrastaff communication.
  - 3) they keep staff up to date on new professional developments.
  - 4) they ensure self expression and participation by staff.

Answer 1 is the correct response because it is the most inclusive and proactive. The key word in this question is **primarily**. While up-to-date information regarding professional developments, self expression and participation may be goals in the formation of committees, it is not their primary function.

4. Which one of the following classifications or groups of financial ratios would be most useful as a guide to **long-range financial viability** of an organization in undertaking **facility replacement**?
- 1) **leverage ratios**
  - 2) profitability ratios
  - 3) liquidity ratios
  - 4) composition ratios

Answer 1 is correct. The question requires a basic knowledge of finance. The key words are **long-range financial viability** related to **facility replacement**. Leverage ratios give an indication of the facility's long-range financial viability and the amount of cash available for undertaking facility replacement.

5. The **primary** purpose of the quality assurance/risk management program is to:
- 1) comply with licensure and accreditation standards as required by state and federal legislation.
  - 2) monitor medical staff practices in order to control the increases in malpractice rates.
  - 3) identify potential problems that will keep the hospital from becoming a party to litigation.
  - 4) **monitor, control and direct the institution's efforts toward achieving delivery of the optimal level of care.**

Answer 4 is correct because the **primary** purpose of a quality assurance program is the delivery of the **optimal level of care**. The other responses are secondary to the purpose of having a QA program. Remember that in a healthcare facility, patient care comes first.

6. The administrator's relationship with the board of directors should be one in which the administrator:
- 1) minimizes board involvement in any operational issues.
  - 2) **draws upon skills of board members in facilitating appropriate discussion and decision making.**
  - 3) identifies those topics with which the board should involve itself.
  - 4) serves as the functionary for implementing all board of directors' decisions.

Answer 2 is correct because it is a proactive response. The key word is **facilitating**. The administrator's role is to facilitate the board discussion and decision making. Answer 4 may be correct, but only after answer 2 is accomplished.

7. In consultation with the board, the administrator has decided that an effort must be made to increase the level of involvement among management personnel in quality assessment and assurance. Which one of the following options is **most likely** to achieve the desired results?
- 1) Send all key management personnel to quality assessment workshops over the next year.
  - 2) Delegate quality assessment functions in question to the medical records committee.
  - 3) Delegate quality assessment education functions to the utilization review coordinator.
  - 4) **Develop an in-house program using trained key personnel for presenting and discussing quality assurance and its implications for the organization.**

Answer 4 is correct. The key word is **develop**. Answers 2 and 3 can be immediately disqualified because results are less likely to be achieved through **delegation**. Answer 4 is the most inclusive and proactive answer.

8. A healthcare facility can **best meet** its **social and economic** goals by:
- 1) **developing a realistic and coordinated approach to long-range planning.**
  - 2) devoting most of its efforts to the development of efficient operational practices.
  - 3) having a good public relations program, which will focus the facility in the community.
  - 4) providing all reimbursable services desired by the community.

Answer 1 is correct. Key words are **best meet** and **social and economic**. Both social and economic goals are met through the long-range planning process. Also, the key word in the answer is **developing**. The other responses may meet some goals, but the best way to meet goals is through developing an approach. Again, this is a much more proactive response.

9. The governing body of a healthcare institution meets its responsibility for the quality of patient care by:
- 1) delegating accountability for patient care to the committee appointed by the governing body, which provides a formal administrative liaison between the governing body, the administration, and the medical/professional staff.
  - 2) delegating to the chief executive officer the responsibility for developing criteria for making certain that an effective medical/professional audit is carried out.
  - 3) **establishing, maintaining and supporting through the medical/professional staff and management staff an ongoing program of review and evaluation of patient/client care and action on findings.**
  - 4) establishing an effective system for utilization review, medical/professional audit activities, and credentialing of the medical/professional staff.

Answer 3 is the correct response. Answers 1 and 2 can be immediately disqualified because responsibility is not met through delegating. Answer 4 can be eliminated because it only addresses some of the activities that could be used in meeting quality assurance requirements. Answer 3 is much more inclusive. Key words are **establishing, maintaining, and supporting**. Also, answer 3 is the only response that suggests follow-up on the program through **review, evaluation, and action** on the findings.

10. With growing frequency, employees who have been dismissed are resorting to lawsuits for redress. In such cases, the court may find in favor of the plaintiff if the employer dismissed that plaintiff:
- 1) for cause, but without using progressive discipline.
  - 2) **without cause.**
  - 3) before the end of the plaintiff's probationary period.
  - 4) for union-organizing activities.

Answer 2 is correct. The question requires a basic knowledge of human resources issues. Courts are increasingly finding in favor of employees who are dismissed without cause.

11. The evaluation of senior management is best administered:
- 1) **when criteria are established and known to both parties.**
  - 2) on a scheduled periodic basis.
  - 3) after consultation of the executive committee of the board.
  - 4) in conjunction with a salary adjustment.

Answer 1 is correct. The question requires a basic knowledge of human resources issues. Performance evaluations are most effective when the evaluator and manager have established criteria before the evaluation.

12. Investor-owned healthcare systems are usually distinct from not-for-profit systems because:
- 1) investor-owned healthcare systems provide no uncompensated care.

- 2) members of the medical staff of investor-owned healthcare systems may use any healthcare facility owned by the corporation.
- 3) **investor-owned healthcare systems consolidate balance sheets.**
- 4) local boards have governing authority.

Answer 3 is correct. This question requires a knowledge of the forms of ownership and the differences between them.

13. To survive the turbulent and revolutionary changes facing the healthcare field, executives must manage internal, external and interface stakeholders better. To do so, these executives must:
- 1) minimally satisfy the needs of marginal stakeholders while maximally satisfying the needs of key stakeholders.
  - 2) **establish goals for relationships with current and potential stakeholders as part of an effective strategic management process.**
  - 3) identify stakeholders who are involved in the local community healthcare delivery system.
  - 4) react to the demands of the stakeholders so that their expectations can be met.

Answer 2 is correct. This question requires a knowledge of the term stakeholders. Also, **establish** is a key word because it makes answer 2 the most proactive response. Answers 1, 3 and 4 contain less active words.

14. After determining your own management strengths and weaknesses, the most effective method for follow-up is to:

- 1) seek out educational offerings specific to your identified needs.
- 2) attend short courses that address current industry issues.
- 3) read current trade journals.
- 4) **create a developmental plan with goals and time frames.**

Answer 4 is the correct answer because it involves establishing a plan with goals and time frames and is much more proactive compared to the other responses.

15. The **major** purpose of the code of ethics for members of a healthcare executive's association is to:
- 1) enhance the image of the healthcare management profession.
  - 2) **set forth standards of ethical behavior for healthcare executives.**
  - 3) set ethical guidelines for the advancement of members within the organization.
  - 4) provide a forum for dialogue on healthcare policy issues.

Answer 2 is correct. A code of ethics sets guidelines and standards for behavior (not for advancement, as in answer 3). Answers 1 and 3 may happen as a result of having a code of ethics, but they are not the **major** purpose.

16. In the planning of construction, modernization and alteration programs, **fixed** equipment:
- 1) is not shown in construction documents if it is owner-provided and installed by the vendor.

- 2) includes equipment with quick-disconnect connections to utilities.
- 3) consists of major technical equipment.
- 4) **is usually included as part of the construction contract.**

Answer 4 is correct. The question requires a basic knowledge of plant and facility management. The key word is **fixed** equipment, which should be included in construction contracts.

17. A well-developed marketing plan will include all of the following, **except:**
- 1) staffing considerations.
  - 2) competitive analysis.
  - 3) **quality of care considerations.**
  - 4) pricing considerations.

Answer 3 is correct. While quality of care issues are a concern of healthcare administrators, they are not the tools used in marketing.

18. The most important responsibility of the CIO in a healthcare organization is:
- 1) Evaluating computer hardware, software and intra-and interdepartmental communications.
  - 2) **Supporting the executive team with effective strategic planning and management information.**
  - 3) Developing request for proposals (RFP) for computer software.

- 4) Supervising systems analysts and computer programmers to ensure that they are meeting the organization's needs.

We are asked for **the most important** responsibility. As a member of the executive team, the most correct answer is "b".

19. A well-designed grievance system begins with:
  - 1) An emphasis on sanctions.
  - 2) **Sound employment policies.**
  - 3) Rewards for whistleblowing.
  - 4) Effective employee assistance programs.

The key words are "**begins with**". Employment policies must be in place before a grievance system can be developed. The correct answer is "b".

20. Mission statements:
  - 1) Are frequently changed in response to environmental issues and marketing trends.
  - 2) Do not require formal board action when revised.
  - 3) Require financial parameters.
  - 4) **Identify in broad terms the purposes for which an organization exists.**

A mission statement describes what an organization does, what its purpose is, or why it exists. The correct statement is "d".