

AMERICAN COLLEGE OF HEALTHCARE EXECUTIVES

Board of Governors Examination Reference Manual



Foundation of the
American College of
Healthcare Executives
for leaders who care®

American College of Healthcare Executives

Policy Statement on

Board Certification in Healthcare Management

Statement of the Issue

By providing a credentialing program, a professional society helps the field it serves by setting standards for competence and excellence and assists the public by providing a means by which to identify those who have met this standard. Choosing to become credentialed in healthcare management enables a professional to demonstrate his or her competence, leadership and commitment to the profession. It also provides evidence of that individual's commitment to lifelong learning, management excellence and ethical conduct.

The American College of Healthcare Executives (ACHE) has a comprehensive, multifaceted credentialing program. Healthcare executives who successfully meet the criteria become board certified in healthcare management and are recognized as ACHE Fellows. With this distinction, Fellows earn the right to use the credential "FACHE" (Fellow of the American College of Healthcare Executives).

Policy Position

The American College of Healthcare Executives believes that by participating in a voluntary credentialing program, healthcare executives are taking a meaningful and visible step toward demonstrating their competence in the field. Through their participation in such programs, healthcare executives also are reaffirming their commitment to lifelong learning, management excellence and ethical conduct.

The value of a credential is linked to the credibility of the certifying organization and the rigor of the credentialing process itself. To this end, ACHE believes a voluntary credentialing program that bestows certification in healthcare management should encompass requirements addressing:

- Formal academic preparation beyond a bachelor's degree
- Position and responsibility
- Experience

Further, ACHE believes the program should require:

- Participation in continuing education
- Participation in healthcare and community activities
- Commitment to the association as demonstrated by tenure in ACHE
- Peer review
- Adherence to an ethical code of conduct
- Successful completion of a comprehensive exam that measures knowledge and skill in healthcare management

For a voluntary credentialing program to be a viable indicator of an individual's competency, the program must be designed using rigorous standards and periodically refined so that it remains a fair and predictable indicator of professional competence in the changing marketplace. To this end, the credentialing body should adhere to the following steps as it relates to the development and refinement of its testing mechanism(s):

- Conduct periodic job analyses within the field to ensure the testing mechanism is reflective of the frequency and importance of job-related tasks performed by healthcare executives;
- Provide for periodic review of the testing mechanism by a professional testing service or a psychometric consultant;
- Establish a passing point for the test that is reflective of professional competence, reasonable and accepted in the psychometric community;
- Administer each test according to established, consistent procedures;
- Follow prescribed security procedures that protect the integrity of the testing materials and the administration of the test.

Voluntary credentialing programs also should require individuals to periodically recertify—documenting their continuing education and other activities that are indicators of continued competency and their commitment to the profession. Finally, each year credentialed individuals should attest to uphold their professional Code of Ethics.

Policy Statement Board Certification. Approved by the Board of Governors of the American College of Healthcare Executives on November 12, 2007.

Requirements to Advance to Fellow

Earning the distinction of board certification in healthcare management as a Fellow of the American College of Healthcare Executives (FACHE) signifies your expertise, experience and commitment to continuing education and professional development. Just as members of the medical staff are board certified, having the FACHE credential by your name indicates a level of achievement in the profession.

Requirements

ACHE Members qualify to submit a Fellow application if they have completed **all** of the following requirements.

- Be a current ACHE Member with a minimum of three (3) years at the Member, Faculty Associate or International Association levels
- Hold a master's degree or other post-baccalaureate degree. *A copy of your degree or final transcript is required to apply.*
- Currently hold an executive-level healthcare management position and have a minimum of five (5) years of [executive healthcare management experience](#). *A copy of your job description, organization chart, and resume is required to apply.*

An executive healthcare management position is one in which the candidate is employed by a healthcare organization or by an organization whose purpose is to influence the growth, development or operations of a healthcare organization. To be eligible for advancement a candidate's position must include planning, organizing, staffing, leading and controlling functions at the organizational or department level. Eligible positions include but are not limited to C-suite executives (CEOs, COOs, CMOs, CNOs, CIOs, etc.), associate and assistant administrative officers and directors, as well as specialty management positions of comparable executive authority.

- Provide the names of two (2) [references](#):
 - One (1) structured interview with a current Fellow, and
 - One (1) reference from either another Fellow or a senior leader in your organization

It is the candidate's responsibility to ensure a reference is submitted on behalf of the candidate after once the application has been sent to ACHE.

A structured interview is a face-to-face meeting or telephone call between the Fellow candidate and the reference. During the interview, the reference should ask questions about your competence, judgment, ethics and professionalism. The questions are available to both the Fellow candidate and reference as part of the Structured Interview Reference Form.

- Demonstrate 36 hours of healthcare-related continuing education within the past three (3) years
 - 12 hours must be ACHE Face-to-Face Education hours
 - 24 hours may be ACHE Face-to-Face Education hours or ACHE Qualified Education hours
- Participate in two (2) community/civic activities and two (2) healthcare-related activities within the past (3) years
- In addition to the application, candidates must submit a \$250 application fee. Application that are not approved will be refunded \$200 (application fee minus \$50 administrative fee).

Taking the Board of Governors Exam

Candidates with approved applications will be authorized by ACHE to sit for the Board of Governors Exam. Candidate have two (2) years to sit for and pass the Exam. Candidates who pass the exam are awarded the FACHE credential.

The Board of Governors Examination in Healthcare Management

The Board of Governors Examination consists of 10 core knowledge areas. There are 230 questions on the exam, 200 are scored and 30 are pretest questions. Candidates will have up to six hours to complete the exam. Each question has four possible answers and a candidate's score is based on the number of scored questions on the examination. The pretest questions do not affect a candidate's score.

Pretest questions are included in order to evaluate them for possible use as scored questions on future examinations. The pretest questions are placed throughout the examination and cannot be identified during the examination.

Since there is no additional penalty for incorrect answers, it is to your advantage to answer every question, even when uncertain of the correct answer. No credit is given for questions with more than one response.

Since the intent is to measure competence, not "book learning," exam questions assess application of knowledge, not just recall of facts.

Exam Updates Reflect Changes

Considerable change in the healthcare delivery system over the last several years has resulted in a broader ACHE membership base in terms of age, education, employment, and career path. The Board of Governors Exam must be fair and equitable to candidates from these diverse backgrounds. It must meet stringent educational testing standards to make sure that it is current and valid. To ensure that the exam is valid, current, and fair, it is reviewed annually.

The review process ensures that the credentialing program is fair to candidates from a wide variety of healthcare management settings. A professional examination service is retained to assist the Examinations Committee with the development of exam forms. In addition, content experts in each of the 10 knowledge areas are contracted to develop exam questions. The result is a carefully structured, fair, and valid examination that addresses the needs of healthcare managers from a wide variety of backgrounds and settings.

The Board of Governors Examination in Healthcare Management Knowledge Areas

Origin of Knowledge Areas

In order to ensure the validity of the certification exam, it is necessary to periodically reevaluate the content validity of the test specifications. The goal of the ACHE Board of Governors Exam is to measure the knowledge needed for successful performance in the healthcare executive job. One way to ensure content validity is to base the assessment on job analysis data.

What is a Job Analysis?

A job analysis is a systematic examination of a particular job, occupation or profession. Typically, a job analysis delineates the tasks that are performed by job incumbents and the knowledge areas, skills and abilities (KSAs) required to successfully perform those tasks.

The most recent job analysis process used available documentation, interviews with healthcare executives, subject matter experts (SMEs) workshops and a survey of job incumbents to describe the requirements of the healthcare executive. First, using prior job analysis requirements and SME interviews, the Human Resources Research Organization (HumRRO) job analysts drafted lists of tasks and knowledge areas, skills and abilities (KSAs). The task and KSA lists were reviewed and revised by several SMEs via telephone interviews. These lists were again reviewed and finalized by a group of SMEs during a face-to-face workshop. In order to keep the survey at a reasonable length, only the KSAs were incorporated into a web-based survey. The survey link was emailed to a stratified random sample of ACHE members who were asked to rate the KSAs in terms of importance. The results of the survey were translated into an updated test blueprint that describes the knowledge content to be tested on each exam as well as the relative weight or proportion of test items in each content area.

10 Core Knowledge Areas

Business

This area includes knowledge that pertains to specific areas/concepts of the organization (e.g., marketing, business planning, strategic planning).

Finance

This area covers the planning, development, establishment, analysis and assessment of financial management processes for an organization's capital, budget, accounting and related reporting systems.

Governance and Organizational Structure

This area deals with the development and analysis of the organizational structure and with delineating responsibility, authority and accountability at all levels of the organization. Functions include the development and implementation of policies and procedures for the governance process.

Healthcare

This area focuses on a broad range of organizations and professions involved in the delivery of healthcare. Included are managed care models, healthcare trends and ancillary services provided.

Healthcare Technology and Information Management

This area covers management information and clinical information systems such as finding computer-based support for management, assessing how current technologies and major innovations are changing the way healthcare executives manage, using information systems for short-and long-range planning, using clinical information systems and acquiring information systems.

Human Resources

This area deals with assessing the need for and the supply of professional staff and other personnel. Functions include recruitment, selection, training, compensation and evaluation of such personnel and how to examine ways of evaluating productivity and monetary accountability for results.

Laws and Regulations

This area covers identifying and interpreting the impact of government regulations and law on the organization; identifying the need for and working with others to develop new regulations and laws; investigating, monitoring, documenting and enforcing existing statutes; and maintaining communication and cooperation with both public and private organization.

Management and Leadership

This area covers general management principles (planning, organizing, directing and controlling) to address overall organizational objectives.

Professionalism and Ethics

This area focuses on the development, monitoring and maintenance of procedures to ensure the needs of professional staff are met. Ethics includes identifying, monitoring and disseminating codes of professional conduct; understanding the implications of ethical decisions; providing procedures to monitor standards of behavior within the organization; and determining, maintaining and monitoring accountability procedures.

Quality and Performance Improvement

This area concentrates on the development, implementation and evaluation of organizational accountability, including quality improvement theories and frameworks programs, quality assessment and assurance philosophies, policies, programs and procedures.

Percentage and Number of Exam Questions in Each Knowledge Area

Knowledge Area	Percentage	Number of Questions
Healthcare	14%	28
Management and Leadership	13%	26
Finance	12%	24
Human Resources	11%	22
Quality and Performance Management	10%	20
Business	9%	18
Healthcare Technology and Information Management	9%	18
Laws and Regulations	8%	16
Professionalism and Ethics	8%	16
Governance and Organizational Structure	6%	12
TOTAL	100%	200

Board of Governors Examination Outline

200 Questions

Effective August 1, 2018

KNOWLEDGE AREA	PERCENTAGE	NO. OF QUESTIONS
----------------	------------	------------------

Healthcare	14%	28
-------------------	------------	-----------

1. Knowledge of healthcare and medical terminology
2. Knowledge of healthcare trends
3. Knowledge of the levels of healthcare along the continuum of care (e.g., extended care, acute hospital care, ambulatory care, home care)
4. Knowledge of levels of service from a business perspective (e.g., home health, inpatient, outpatient)
5. Knowledge of the types of healthcare providers (e.g., non-profit, for-profit, federal, public health)
6. Knowledge of ancillary services (e.g., lab, radiology, therapies)
7. Knowledge of support services (e.g., environment of care, plant operations, materials management, supply chain management, hospitality services)
8. Knowledge of the interdependency of integration within and competition among healthcare sectors
9. Knowledge of clinician roles and qualifying criteria (e.g., administrative versus clinical)
10. Knowledge of evidence-based management practice
11. Knowledge of different staff and functional perspectives in healthcare organizations (e.g., frame of reference, expectations, and responsibilities by discipline and role)
12. Knowledge of the patient perspective (e.g., expectations, concerns) and how it differs from the provider perspective
13. Knowledge of the interrelationships among healthcare access, quality, cost, resource allocation, accountability, and the community

Management and Leadership	13%	26
----------------------------------	------------	-----------

14. Knowledge of implementation planning (e.g., operational plan, management plan)
15. Knowledge of contingency planning (e.g., for emergency response as defined in National Incident Management System)
16. Knowledge of organizational systems theory and structuring (e.g., span of control, chain of command, interrelationships of organizational units)
17. Knowledge of management functions (e.g., planning, organizing, directing, controlling, and evaluating)
18. Knowledge of leadership styles and how and in what situations they apply
19. Knowledge of team-building techniques (e.g., communication, use of practical assessment or training tools)
20. Knowledge of change management principles

21. Knowledge of organizational development resources
22. Knowledge of collaborative techniques for engaging and working with physicians
23. Knowledge of diversity and inclusion principles and their influence on team and organizational effectiveness
24. Knowledge of resource allocation methods (e.g., for addressing conflicts among departments or staff over scarce resources)

Finance

12%

24

25. Knowledge of financial accounting principles needed to analyze and interpret financial reports (e.g., which ratios to look at given your current concerns)
26. Knowledge of operating budget principles (e.g., fixed vs. flexible, zero based, variance analysis)
27. Knowledge of capital budgeting principles (e.g., funding sources, long-term implications of capital planning, such as depreciation)
28. Knowledge of reimbursement methodologies and their ramifications (e.g., managed care models, national/state programs, value-based, fee-for-service)
29. Knowledge of fundamental productivity measures (e.g., hours per patient day, cost per patient day, units of service per labor hour)
30. Knowledge of financial controls (e.g., internal systems for accounts payable, checks and balances, auditing principles).
31. Knowledge of revenue generation (e.g., billing, coding, new ways to foster revenue, pricing strategies)
32. Knowledge of how to justify a business model (e.g., make a business case for a new project to gain shareholder support)
33. Knowledge of potential impacts and consequences of financial decision making on operations, healthcare, human resources, and quality of care
34. Knowledge of asset management (e.g., depreciation schedule)
35. Knowledge of financing, including funding sources, the process of obtaining credit and bond ratings, and issuing bonds
36. Knowledge of philanthropy and foundation work (e.g., as source of funding for non-profit organizations or to target for-profit organizations' activities)
37. Knowledge of supply chain systems, structures, and processes

Human Resources

11%

22

38. Knowledge of human resources laws and regulations (e.g., labor law, wage and hour, FMLA, FLSA, EEOC, ERISA, workers compensation)
39. Knowledge of recruitment and retention approaches and techniques
40. Knowledge of staffing methodologies and productivity management (e.g., acuity-based staffing, flexible staffing, fixed staffing)
41. Knowledge of performance management systems (e.g., performance-based evaluation, rewards systems, disciplinary policies and procedures)
42. Knowledge of employee motivation and development principles and techniques

43. Knowledge of employee satisfaction and engagement measurement and improvement techniques
44. Knowledge of compensation and benefits practices
45. Knowledge of employee safety, security, and health issues (e.g., OSHA, workplace violence)
46. Knowledge of conflict resolution and grievance procedures
47. Knowledge of potential impacts and consequences of human resources decision-making on operations, finances, healthcare, and quality of care
48. Knowledge of selection techniques (e.g., commonly available assessments and relative benefits)
49. Knowledge of labor relations practices and strategies
50. Knowledge of job design processes
51. Knowledge of succession planning models

Quality and Performance Management	10%	20
---	------------	-----------

52. Knowledge of benchmarking principles and sources of best practices information (e.g., internal, state, and national standards)
53. Knowledge of the principles and methods of medical staff peer review
54. Knowledge of risk management principles and programs (e.g., insurance, education, safety, injury management, patient complaints, patient and staff security)
55. Knowledge of managerial performance and process improvement tools and techniques (e.g., plan-do-study-act, lean processing, Six Sigma)
56. Knowledge of clinical performance and process improvement tools and techniques (e.g., clinical pathways, evidence-based medicine, population health, pay-for-performance)
57. Knowledge of quality and performance measurement tools (e.g., patient satisfaction measurements such as HCAHPS, net promoter scores)
58. Knowledge of utilization review/case management system
59. Knowledge of tools for improving patient safety (e.g., reducing avoidable errors, disclosure of errors)
60. Recognition of quality as a strategic initiative, distinct from operations, and how it impacts operations, staffing, and financing decisions

Business	9%	18
-----------------	-----------	-----------

61. Knowledge of the strategic planning process (e.g., scenario planning, forecasting, community needs assessment)
62. Knowledge of business planning processes, including development, implementation, and assessment (e.g., adding new services)
63. Knowledge of basic business contracts, such as what constitutes a contractual commitment, and legal and financial implications (e.g., intentional damage to a person or business that causes economic harm)
64. Knowledge of the impact the socioeconomic environment has on the organization functions

- 65. Knowledge of marketing principles and tools and how to interpret marketing data (e.g., market analysis, market research, sales, advertising)
- 66. Knowledge of principles of media relations, advertising, social media, and community relations
- 67. Knowledge of the techniques involved in negotiating contracts or services (e.g., compromise, persuasion) and relevant factors (e.g., utilization review, models)
- 68. Knowledge of potential impacts and consequences of business decision-making on operations, healthcare, human resources and quality of care

Healthcare Technology and Information	9%	18
--	-----------	-----------

Management

- 69. Knowledge of the role and function of information technology in business operations
- 70. Knowledge of technology trends and clinical applications in a healthcare organization
- 71. Knowledge of technology policies and regulations (e.g., complying with HIPAA security requirements, complying with HITECH Act meaningful use requirements for electronic healthcare records)
- 72. Knowledge of health informatics needed for operational decisions (e.g., data and equipment interoperability standards support)
- 73. Knowledge of potential impacts and consequences of healthcare IT decision-making on staff and processes in finance, operations, healthcare, and quality of care
- 74. Knowledge of information systems continuity (e.g., disaster planning, recovery, backup, security, sabotage, natural disasters)
- 75. Knowledge of factors that influence selection, acquisition, and maintenance of IT systems (e.g., upgrades and conversions, technology lifecycles)
- 76. Knowledge of healthcare analytics

Laws and Regulations	8%	16
-----------------------------	-----------	-----------

- 77. Knowledge of laws relating to confidentiality (e.g., privacy act, FOIA, release of information)
- 78. Knowledge of healthcare compliance laws and regulations (e.g., antitrust, conflict of interest, EMTALA, Stark, CMS)
- 79. Knowledge of Medicare, Medicaid, and other third-party payment regulations
- 80. Knowledge of inspection and accrediting standards, regulations, and organizations (e.g., OSHA, FDA, NRC, CDC, state and federal accreditation/licensure)
- 81. Knowledge of patients' rights laws and regulations (e.g., informed consent, HIPAA, advance directives, involuntary commitments)
- 82. Knowledge of the different requirements for non-profit and for-profit healthcare organizations
- 83. Knowledge of potential impact of laws and regulations on operational, financial, quality of care, and human resources decisions

Professionalism and Ethics**8%****16**

- 84. Knowledge of professional standards of conduct set forth by ACHE in the Code of Ethics
- 85. Knowledge of patients' rights and responsibilities (e.g., informed consent, withdrawal of care, advance directives)
- 86. Knowledge of ethics committee's roles, structure, and functions
- 87. Knowledge of cultural and spiritual diversity of patients and staff as they relate to healthcare needs
- 88. Knowledge of conflict of interest issues and solutions as defined by organizational bylaws, policies and procedures
- 89. Knowledge of the consequences of unethical actions
- 90. Knowledge of ethical implications of human-subject research
- 91. Knowledge of other professional norms and standards of behaviors as defined by professions (e.g., AHA, Physicians' Oaths, and other professional pledges)
- 92. Knowledge of creating an ethical culture in an organization

Governance and Organizational**6%****12****Structure**

- 93. Knowledge of governance theory (e.g., mission and values, relationships with board of directors, roles of governing board and management)
- 94. Knowledge of governance structure (e.g., bylaws, articles of incorporation) and operations (e.g., board member selection, education, orientation, and assessment)
- 95. Knowledge of medical staff structure and its relationship to governing bodies and facility operation (e.g., credentialing, privileging, and disciplinary process)
- 96. Knowledge of the governing board's role (e.g., ultimate accountability, conflict of interest issues, fiduciary responsibility)
- 97. Knowledge of public policy matters and legislative and advocacy processes

Comments from former Test Takers Preparing for the Exam

“I studied alone due to the lack of a formal study group. I don’t see studying alone as a disadvantage other than that there is an absence of other perspectives. I used the three texts recommended by ACHE and concentrated on *The Well-Managed Healthcare Organization* by John Griffith. I also used the tutorial provided by ACHE. Specifically, the questions and answers provided in the tutorial served as a tool for review in the texts. The best advice I could offer is to set aside an hour per day approximately four months prior to the test. I used the time to read chapters, review sample questions, and take notes for further investigation. Two weeks prior to the test date, I reviewed text only and concentrated on areas that I knew were professionally challenging. The day before the exam, I leisurely thumbed through the texts, questions and answers, and other materials to mentally prepare for the different topics. In summary, I don’t think there is a magic formula for studying for this exam. It’s difficult and requires a great deal of knowledge, much of which is learned on the job. The text reading requires self-discipline and a set pattern for studying. Finally, I carried one of the texts with me on a daily basis. The book served as a reminder that passing the exam was a defining moment in my professional life.”

“Think globally as you read each question. Determine which answer best describes the situation. Two or more answers may seem appropriate and could be justified, but make sure you consider which one is most inclusive. Do not allow your past experiences in a particular situation to cloud your decision when answering a more global question. Read *The Well-Managed Healthcare Organization* textbook. This textbook provides a good review of each management area covered on the exam. Keep abreast of articles in healthcare journals. Get a good night’s sleep before the exam. You want to be alert. For areas that you are not familiar with, find an expert in that area and ask him or her to give you a 15-minute update on the current topics of interest in their area of expertise. For those considering the computerized exam, do not allow your fears of a computer to keep you from taking the exam. The program is very easy to use and allows you to mark questions that you would like to review again at the end of the exam. A huge plus is that you get your results immediately.”

“My preparation strategy for the exam included two elements: First, I attended an Advancement Information Session that was hosted by our local Regent. I think that this was very valuable in order to put the exam in context with the overall advancement process, as well as to explore the ‘personality of the exam’ and discuss test-taking strategy. In addition, I used ACHE’s Reference Manual to review the topics that would be covered and to run through the sample test questions. While my preparation as outlined above helped me navigate the test process and style, I think that the knowledge base that I used to actually answer the questions really came from my educational background and work experience. In other words, the work I did in advance of the exam helped me in the process of taking the test, but skill sets that the exam evaluates are, in my case, the result of experience and education. Since I didn’t utilize any books or other knowledge tools, I really don’t have any suggestions as to what materials would be good study resources.”

“I have been procrastinating taking the exam for some time. In some ways this probably helped because I did read the books and worked over time to take the test. I did read the books

suggested on the ACHE web site. I took the practice test on the web site. In addition, I printed off the Reference Manual and took the practice test and read through the Manual. I believe in continuing education so try to attend the annual ACHE meeting as often as possible. I must say the exam was very well rounded and the Reference Manual was helpful in that it keeps you focusing on the many areas instead of focusing on one area. Finally, I did not cram, I ate well before the exam and got a good night sleep. I did not take the course or the self study program offered. I wondered prior to the exam if this would be a mistake, but I am a reader and pretty self disciplined, so it turned out ok.”

“I took a great prep course in the Fall, Board of Governors Exam Review Course and then didn’t get around to taking the test until the Spring. So I had this notebook of materials from the prep course, and read through it once on a Sunday afternoon and took the test on a Tuesday morning. So I did study to refresh my memory of the material covered by the prep course, but I would highly recommend taking the prep course and then taking the test shortly thereafter.”

“As promised, here is how I prepared for the BOG exam. Again, as we discussed, I think my practical experience of almost 20 years also helped in areas that were not covered by textbook or online material.

1. Printed the online reference material from the ACHE website for the BOG exam and highlighted all the pertinent information for later review.
2. Purchased The Well-Managed Healthcare Organization, and read it cover to cover. Again I highlighted all the pertinent information and terminology for later review.
3. Three weeks before the exam, I reviewed the highlighted portions of the book and reference materials. Also, did some online review of healthcare finance materials (various sources).
4. Reviewed the sample questions and took the practice exam 2 weeks prior to the test.
5. The week before the exam, I took "book notes" on the important highlighted sections of the textbook. This was a study habit from my college days.
6. Took the practice exam again. Did some additional light review of finance issues.
7. Reviewed my book notes a few days before the exam.
8. Took it easy the day before the exam and really did not review very much.
9. Good night’s sleep.

This was pretty much how it went. This all occurred over an 8 week period.”

Study Hints and Practical Tips

Read each question carefully.

Read all responses for each question before selecting an answer.

There is no added penalty for guessing, so answer every question.

Skip difficult questions and return to them later. The computerized exam allows you to mark questions to return to later.

Do not go back and change answers; your first “hunch” is most often correct.

Remember the Exam is national in scope and is not defined in terms of individual states and their laws or regulations.

Be aware of critical words that change the direction of the question. Things like:

- is not
- all but
- least likely
- except for

Watch for absolute words (*always* or *never*) in the question. They signal extra scrutiny.

Use the review time you have to its best purpose. When you review, focus on major themes; not obscure facts.

Listen to what your body is telling you. You cannot fight autonomic responses and win. Take a minute or two to regroup, refresh, refocus and breathe.

You have enough time – if you use your time wisely.

The Board of Governors Exam is a **RECOGNITION**, **not a RECALL** test. You’ll be asked to draw logical outcomes from known concepts.

Don’t Over Read or Over Analyze the test question. The exam writers want you to take each question at face value.

Stay focused on the task and keep moving.

Keep the test and its outcome in perspective.

SAMPLE QUESTIONS

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

Question 1

In a dispute between two staff physicians, the primary role of the chief executive officer is to

- a) ask a representative of the governing authority to mediate the dispute.
- b) avoid any involvement in the dispute.
- c) meet with both parties as soon as the problem is identified.
- d) **request the appropriate chief(s) of service to investigate and report back.**

Answer **d** 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.

Question 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

- a) reduce levels of patient care to the level of payments received.
- b) **scrutinize all new ventures from a variety of perspectives, including financial, environmental, ethical, and quality of care.**
- c) eliminate patient-care programs that do not pay for themselves.
- d) place ceilings on those financial categories of patients that pay less than full operating costs.

Answer **b** 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.

Question 3

Committees are an important management tool primarily because they

- a) **provide a mechanism for reconciling differing opinions and facilitating decision making.**
- b) are the only way of providing for intrastaff communication.
- c) keep staff up-to-date on new professional developments.
- d) ensure self-expression and participation by staff.

Answer **a** 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.

Question 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?

- a) **leverage ratios**
- b) profitability ratios
- c) liquidity ratios
- d) composition ratios

Answer **a** 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.

Question 5

The primary purpose of the quality assurance/risk management program is to

- a) comply with licensure and accreditation standards as required by state and federal legislation.
- b) monitor medical staff practices in order to control the increases in malpractice rates.
- c) identify potential problems that will keep the hospital from becoming a party to litigation.
- d) **monitor, control, and direct the institution's efforts toward achieving delivery of the optimal level of care.**

Answer **d** is correct because the **primary** purpose of a quality assurance (QA) 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.

Question 6

The administrator's relationship with the board of directors should be one in which the administrator

- a) minimizes board involvement in any operational issues.
- b) **draws upon skills of board members in facilitating appropriate discussion and decision making.**
- c) identifies those topics with which the board should involve itself.
- d) serves as the functionary for implementing all board of directors' decisions.

Answer **b** 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.

Question 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?

- a) Send all key management personnel to quality assessment workshops over the next year.
- b) Delegate quality assessment functions in question to the medical records committee.
- c) Delegate quality assessment education functions to the utilization review coordinator.
- d) **Develop an in-house program using trained key personnel for presenting and discussing quality assurance and its implications for the organization.**

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

Question 8

A healthcare facility can best meet its social and economic goals by

- a) **developing a realistic and coordinated approach to long-range planning.**
- b) devoting most of its efforts to the development of efficient operational practices.
- c) having a good public relations program, which will focus the facility in the community.
- d) providing all reimbursable services desired by the community.

Answer **a** 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.

Question 9

The governing body of a healthcare institution meets its responsibility for the quality of patient care by

- a) 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.
- b) delegating to the chief executive officer the responsibility for developing criteria for making certain that an effective medical/professional audit is carried out.
- c) **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.**
- d) establishing an effective system for utilization review, medical/professional audit activities, and credentialing of the medical/professional staff.

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

Question 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

- a) for cause, but without using progressive discipline.
- b) **without cause.**
- c) before the end of the plaintiff's probationary period.
- d) for union-organizing activities.

Answer **b** 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.

Question 11

The evaluation of senior management is best administered

- a) **when criteria are established and known to both parties.**
- b) on a scheduled periodic basis.
- c) after consultation of the executive committee of the board.
- d) in conjunction with a salary adjustment.

Answer **a** 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.

Question 12

Investor-owned healthcare systems are usually distinct from not-for-profit systems because

- a) investor-owned healthcare systems provide no uncompensated care.
- b) members of the medical staff of investor-owned healthcare systems may use any healthcare facility owned by the corporation.
- c) **investor-owned healthcare systems consolidate balance sheets.**
- d) local boards have governing authority.

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

Question 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

- a) minimally satisfy the needs of marginal stakeholders while maximally satisfying the needs of key stakeholders.
- b) **establish goals for relationships with current and potential stakeholders as part of an effective strategic management process.**
- c) identify stakeholders who are involved in the local community healthcare delivery system.
- d) react to the demands of the stakeholders so that their expectations can be met.

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

Question 14

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

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

Answer **d** 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.

Question 15

The major purpose of the code of ethics for members of a healthcare executive's association is to

- a) enhance the image of the healthcare management profession.
- b) set forth standards of ethical behavior for healthcare executives.**
- c) set ethical guidelines for the advancement of members within the organization.
- d) provide a forum for dialogue on healthcare policy issues.

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

Question 16

In the planning of construction, modernization, and alteration programs, fixed equipment

- a) is not shown in construction documents if it is owner-provided and installed by the vendor.
- b) includes equipment with quick-disconnect connections to utilities.
- c) consists of major technical equipment.
- d) is usually included as part of the construction contract.**

Answer **d** 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.

Question 17

A well-developed marketing plan will include all of the following, except

- a) staffing considerations.
- b) competitive analysis.
- c) quality-of-care considerations.**
- d) pricing considerations.

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

SCORING INFORMATION

Criterion-Referenced Testing

The Board of Governors exam is a criterion-referenced examination. Each candidate is measured against a fixed standard of knowledge rather than against the performance of other individuals taking the exam. In contrast, a norm-referenced exam (e.g., SAT, GRE) is based on how individuals perform relative to the population that took the test. The passing score for the Board of Governors Exam is based on a candidate's ability to demonstrate an acceptable level of knowledge; it is not related to the distribution of scores obtained during a particular administration of the Exam. Therefore, a candidate's likelihood of passing the Board of Governors Exam is contingent upon his or her ability to demonstrate competence in the healthcare executive field, rather than his or her competence relative to other examinees. Since the intent is to measure competence, not "book learning," exam questions assess application of knowledge, not just recall of facts.

Setting the Pass Point

A modified Angoff Method is used to determine the pass point for the Board of Governors Exam. This method requires Subject Matter Experts (SMEs) to rate the likelihood that a candidate would correctly answer each exam question. Data from previous administrations of each question, along with discussion among the SMEs, are used during this process. The ratings for each exam question are averaged across the SMEs and summed to determine the overall pass point for the exam.

Exam Results

The results of the Board of Governors Exam are given as "pass" or "fail." It is not ACHE's policy to reveal a candidate's raw score. In order to provide developmental feedback for the candidate, ACHE offers information related to his or her performance in each category on the Exam.

Reliability and Validity

Extensive exam statistics are calculated in the process of determining exam reliability and validity, including item analysis for every exam question on the Board of Governors Exam. Reliability is determined by calculating the Kuder-Richardson Formula, the Livingston Index, and the split-half reliability. Reliability coefficients above 0.80 are considered satisfactory for credentialing exams. The Board of Governors Exam reliability coefficient—as determined by the K-R 20 and split-half methods—has consistently met or exceeded the standard over the years.

Consultants

The American College of Healthcare Executives works with the Human Resources Research Organization (HumRRO) to obtain assistance with the development and validation of the Board of Governors Exam. HumRRO has been serving clients for more than 50 years.

RESOURCES

Health Administration Press (HAP): <http://www.ache.org/hap.cfm>

Quarterly Advancement Information webinar:
<http://www.ache.org/membership/credentialing/fellowadvance.cfm>

Apply online: www.ache.org

Online Tutorial:
<http://www.ache.org/membership/credentialing/EXAM/OnlineTutorial/OnLineTutorial.cfm>

Exam Review Course: http://www.ache.org/seminars/bogexam_index.cfm

Online Community:
<http://www.ache.org/membership/credentialing/OnlineCommunity/bogcommunity.cfm>

Additional Resources: <http://www.ache.org/membership/credentialing/EXAM/EXAM.cfm>

Customer Service Center: (312) 424-9400 or contact@ache.org