

Chapter 1: A Distinctive System of Health Care Delivery

Multiple Choice Questions

1. The primary objectives of a healthcare system include all of the following *except*:
 - a. Enabling all citizens to receive healthcare services
 - b. Delivering healthcare services that are cost-effective
 - c. Delivering healthcare services using the most current technology, regardless of cost
 - d. Delivering healthcare services that meet established standards of quality
2. The U.S. healthcare system can best be described as:
 - a. Expensive
 - b. Fragmented
 - c. Market-oriented
 - d. All of the above
3. For most privately insured Americans, health insurance is:
 - a. Employer-based
 - b. Financed by the government
 - c. Privately purchased
 - d. None of the above
4. What is the major objective of the Affordable Care Act?
 - a. to reduce cost
 - b. to provide insurance coverage
 - c. to enhance quality
 - d. to simplify administration
5. Medicare is *primarily* for people who meet the following eligibility requirement:
 - a. Elderly
 - b. Low-income
 - c. Children
 - d. Disabled
6. Medicaid is *primarily* for people who meet the following eligibility requirement:
 - a. Elderly
 - b. Low-income
 - c. Children
 - d. Disabled
7. The primary functions of managed care include all of the following *except*:
 - a. Improving quality
 - b. Achieving efficiencies
 - c. Setting prices at which providers are paid
 - d. Controlling patients' utilization of services

8. Under free market conditions, the relationship between the quantity of medical services *demanded* and the price of medical services is:
- Unknown
 - Equal
 - Direct
 - Inverse
9. The role of the government in the U.S. healthcare system is:
- Regulator
 - Major financier
 - Medicare and Medicaid reimbursement rate-setter
 - All of the above
10. Which of the following countries has a National Health System (NHS)?
- Japan
 - Great Britain
 - Australia
 - Germany
11. Which of the following is a characteristic of a national health insurance system?
- The government finances health care through general taxes
 - Health care is delivered by private providers
 - Both a and b
 - Neither a nor b
12. Which of the following is a characteristic of a socialized health insurance system?
- Health care is financed through government-mandated contributions by employers and employees
 - Health care is delivered by government-employed providers
 - Both a and b
 - Neither a nor b
13. In 1984, Australia switched:
- From the Medicare program to a universal national health care program
 - From a universal national health care program to a privately financed system
 - From a privately financed system to the Medicare program
 - None of the above
14. A free market in healthcare requires:
- Adequate information for patients
 - Independent actions between buyers (patients) and sellers (providers)
 - Unencumbered interaction of the forces of supply and demand
 - All of the above

15. A multiple payer system is more cumbersome than a single payer system for all of the following reasons *except*:
- a. There are numerous health plans, which is difficult for providers to handle
 - b. Payments are not standardized across health plans
 - c. Some healthcare services are covered for people in the north, but not in the south
 - d. Government programs require extensive documentation proving services were provided before paying providers
16. Which of the following entities in the U.S. employs lobbyists?
- a. Physicians
 - b. Insurance companies
 - c. Large employers
 - d. All of the above
17. The ownership of Canada's health care system is best described as:
- a. Private
 - b. Public
 - c. Combination of private and public
 - d. None of the above
18. Supplier-induced demand is created by:
- a. Patients
 - b. Providers
 - c. Health insurance companies
 - d. The government
19. Which country spends the most in administrative health care costs?
- a. United States
 - b. Germany
 - c. UK
 - d. Australia
20. In the US, federal qualified health centers are funded to
- a. meet all health care needs of the uninsured
 - b. provide primary care to all citizens
 - c. serve as a safety-net for those who have difficulty getting needed primary care
 - d. serve minority patients only
21. What is the meaning of the term 'Access?'
- a. All citizens have health insurance coverage
 - b. Availability of services
 - c. Employer-based health insurance
 - d. Ability to get health care when needed
22. In a free market who would pay for the delivery of health care services?
- a. Numerous health insurance companies

- b. Patients
 - c. Government
 - d. Multiple payers
23. What is meant by the term 'continuum of health care services?'
- a. Drugs, treatments, and surgeries
 - b. A range of health care services that go beyond what hospitals and physicians provide
 - c. Continuity of health care for an individual from birth to death
 - d. Technological innovation to provide a variety of services
24. In the U.S. health care system, which of the following creates a separation between financing and delivery?
- a. Payment
 - b. Moral hazard
 - c. Insurance
 - d. Phantom providers
25. When providers deliver unnecessary services with the objective of protecting themselves against lawsuits, this practice is called
- a. defensive medicine
 - b. supplier-induced demand
 - c. primary protection
 - d. legal risk
26. Reimbursement is associated with which of the quad functions?
- a. Financing
 - b. Insurance
 - c. Delivery
 - d. Payment
27. Which central agency manages the health care delivery system in the United States?
- a. Centers for Disease Control and Prevention
 - b. Department of Health and Human Services
 - c. Department of Commerce
 - d. None
28. National health care programs in other countries often use the following mechanism to control total health care expenditures?
- a. Third parties
 - b. Capitation
 - c. Global budgets
 - d. A single-payer system
29. In the United States, who does not generally have access to basic and routine medical services?
- a. People who need catastrophic care.
 - b. Those eligible only for public programs.
 - c. The uninsured
 - d. Those without private health insurance

30. In which country are employers required by law to contribute toward health insurance for their employees?

- a. Germany
- b. United States
- c. Great Britain
- d. Canada

(Answers: 1c, 2d, 3a, 4b, 5a, 6b, 7a, 8d, 9d, 10b, 11c, 12a, 13c, 14d, 15c, 16d, 17c, 18b, 19a, 20c, 21d, 22b, 23b, 24c, 25a, 26d, 27d, 28c, 29c, 30a)

True/False Questions

1. The government health coverage program for the elderly and certain people with disabilities is called Medicaid.

2. Capitation is a payment mechanism in which all health care services are included under one set fee per covered individual.

3. The U.S. has a mainly public system of financing health care services.

4. In a free market, multiple patients and providers act interdependently.

5. Moral hazard has to do with insured patients' demand for health care services.

6. In a single-payer system, the primary payer usually is an insurance company.

7. In national health care programs, governments are immune from lawsuits.

8. Since the final two decades of the 20th century, the U.S. health care delivery system has begun to shift its emphasis from wellness to illness.

9. The U.S. health care system is administratively controlled by an agency of the government.

10. The Affordable Care Act will make every American insured when fully implemented.

(Answers: 1-false, 2-true, 3-false, 4-false, 5-true, 6-false, 7-true, 8-false, 9-false, 10-false)