Health Care Operations Management 3rd edition Langabeer Test Bank

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Chapter 2: Hospitals and the Health Care Industry

True or False Questions

1. Hospitals offer an intangible product that is not easily packaged or classified to be sold.
    a. True
    b. False

    Answer:
2. The basic definition of a hospital involves providing services clustered around observation, diagnosis and treatment.
    a. True
    b. False

    Answer – True
3. Vertical integration in healthcare involves consolidation, mergers, acquisitions, or alliances among several competitive or cooperative hospitals.
    a. True
    b. False

    Answer – False – acquisition or alliances of other parties involved in other phases of the healthcare value chain, such as payers, clinics, or physicians
4. Regulations provide broad guidelines that are used to create specific procedures within a system.
    a. True
    b. False

    Answer – False - regulations are authorized instructions for how something should be carried out

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5. The main focus of HITECH was to develop a national health information technology infrastructure.

    a. True

    b. False

    Answer – True

6. Finance and accounting represent a negligible portion of health care.

    a. True

    b. False

    Answer – False

7. Academic medical centers are generally the same as other community hospitals in terms of size and number of service lines offered.

    a. True

    b. False

    Answer – False

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Multiple Choice Questions

1. Which of the following is not a major classification of Hospitals according to the American Hospital Association?

    a. General

    b. Specialty

    c. Rehabilitation

    d. Psychological

    Answer – **d**

2. Which of the following is a characteristic of a community hospital?

    a. Only organized as a for-profit operation

    b. Teaching focus with larger size

    c. Operated to serve federal health beneficiaries such as the Veterans Administration

    d. Focused on short-term stays for a specific episode of care

    Answer – **d**

3. The search for cost savings of key resources and supplies and for better management of goods and services in the physical supply chain is responsible for creating job opportunities for analysts and professionals interested in a wide number of fields, including:

    a. Nursing

    b. Logistics

    c. Food services

    d. Health policy development

    Answer – **b**

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4. Which of the following are contemporary policies impacting healthcare operations?

    a. The Health Insurance Payment Act of 1992

    b. Health Information Technology for Economic and Clinical Health Act of 2009

    c. The Medical Waste Treatment Act of 2006

    d. The Nursing Adequacy Act of 2001

    Answer – **b**

5. Business planning and performance improvement in hospitals includes areas such as:

    a. Infrastructure support

    b. Organizational development and training

    c. Performance benchmarking

    d. Telecommunication optimization

    Answer – **c**

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Short Answer Questions

1. Describe the characteristics that define a hospital.

Answer - The basic definition of a hospital typically involves providing services clustered around three key terms: observation, diagnosis, and treatment. Observation involves analyzing or studying patients and running tests and checks—all of which ultimately lead to a diagnosis. The diagnosis is the physician's or medical provider's explanation for the cause or source of the problem or symptoms. Treatment is the course of action that the hospital will take to make the patient better, lessen the symptoms, or otherwise care for the patient. All of the services that a hospital provides are typically organized around at least one of these areas.

2. Differentiate between healthcare polices and regulations.

Answer – Policies provide broad guidelines which are used to create specific procedures within a system; whereas, regulations are authorized instructions for how something should be carried out.

3. Discuss how the mission of a hospital differs from other types of organizations.

Answer – Other types of companies typically have a two-prong mission of maximizing profits and satisfying stakeholders, which helps to clearly focus employees and others on efficiencies, revenues, and cost reductions. On the other hand, hospitals offer an intangible product that cannot be easily packaged and sold. hospitals are not profit-maximizing entities, and historically, most have not been overly concerned about negative margins or break-even income statements. Most other organizations focus solely on maximizing the wealth of the owners or shareholders and to a lesser degree on the social or public benefits that are derived

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from the production of their goods or services. Additionally, the primary performance outcome of a hospital is measured in terms of "quality," abstractly measured by a wide range of ¬mortality and morbidity indicators, and not business metrics such as economic value, return on investment, or net income. Finally, hospitals are governed to a large degree by professionals who lack formal training in business management, unlike other firms where those educated and professionally trained in business disciplines clearly govern all aspects of the business. This is one of the primary reasons financial and business implications of key decisions might be secondary in the management decision process of these organizations.

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