

# ACHE of Georgia BOG

## Prep 2025

Week 2 Quiz & Answer Key

*Governance*

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## GOVERNANCE & Quality

**16.** 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 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.

- Correct answer is C
- 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 3 is the only response that suggests follow-up on the program through ***review***, ***evaluation***, and ***action*** on the findings.

**17. Before submission of the annual business plan to the governing authority, the plan should be developed by:**

- A. Recommendations from the finance committee, on the basis of its estimate of income for the budget year.
- B. The heads of the profit centers, considering each center's anticipated revenues and expenses, with the CEO collating.
- C. Key executives, after receiving recommendations from the head of operating divisions
- D. The heads of the operating divisions, with the CEO collating.

- Correct answer is **C**

- 18.** The governing authority assures itself about the quality of care by:
- A. Holding the CEO of the health facility accountable.
  - B. Making the president of the medical/professional staff an ex officio member of the governing authority
  - C. Approving the process and then following up regularly and continuously to see that it is being used
  - D. Reviewing tabulated results of incidence reports

- Correct answer is C
- The governing board is ultimately responsible for quality of care in the organization. The board establishes policy and then receives regular reports regarding quality-of-care indicators and quality improvement initiatives.
- Source: Griffith, J.R., *The Well-Managed Health Care Organization*, 4<sup>th</sup> Ed. 1999, pp. 83-84

**19. The establishment of an appropriate credentialing procedure for members of the medical/professional staff should ultimately be a decision of the:**

- A. Entire medical/professional staff
- B. Credentialing committee
- C. Governing authority
- D. Medical/professional executive committee

Correct answer is C

## 20. CEO compensation should be based on:

- - A. The compensation arrangements with the prior CEO.
  - B. Present salary plus cost-of-living adjustment.
  - C. Executive compensation in local corporations with similar gross revenues.
  - D. What the institution would have to pay for a similarly prepared person if that person were employed elsewhere.

- Correct answer is **D**

**21. In a healthcare organization, who has ultimate fiduciary responsibility?**

- A. Chief Financial officer.
- B. Board of Trustees
- C. Chief Executive Officer
- D. Finance Committee of the Board

- Correct answer is B because the board is the ultimate governing authority for an organization, therefore it has primary fiduciary responsibility over the organization and is responsible for ensuring quality care is provided in a cost effective manner.

**22. Mission statements:**

- A. Are frequently changed in response to environmental issues and marketing trends.
- B. Never Change
- C. Do not require formal board action when revised.
- D. Identify in broad terms the purposes for which an organization exists.

- Correct answer is **D**

**23. The chief executive officer:**

- A. is a member of the board.
- B. is not a member of the board.
- C. represents the board internally and externally.
- D. has a contract with the board.

- Correct answer is C

CEO may be a member of board or may not be member of board depending on bylaws. Typically CEO has a contract, but not mandatory. CEO definitely acts as representative of board internally (within the organization) & externally

**24. Regarding the budget, the board:**

- A. Does not use the budget exercise as a way to improve quality and productivity.
- B. Gets involved in preparing budgets for all operational units.
- C. Decides which personnel are needed in top management.
- D. Establishes guidelines and makes final choices among competing opportunities.

- Correct answer is D

**25. The individual or group responsible for establishing policy, maintaining quality of care, and providing for institutional management planning is the:**

- A. Chief Medical Officer
- B. Chief Nursing Officer.
- C. Hospital Authority
- D. Chief executive officer.

- Correct answer is **C**

**26. A correct statement regarding trustees serving as fiduciaries is that they can:**

- A. Be indicted for alleged theft of facility funds and the improper expenditure of facility funds for personal reasons.
- B. Be released from responsibility by giving the audit committee final authority in high-risk areas of financial matters, without any action by the whole board.
- C. Be held personally liable for wrongful acts or omissions by corporate officers or co-trustees by virtue of their position as trustees.
- D. Waive their fiduciary responsibility as a community organization.

- Correct answer is A

**27. A key reason for choosing board members is because:**

- 
- A. They have high status in the community.
- B. Of what they can do for the organization.
- C. Other board members want to listen to their opinions.
- D. Physicians will listen to them.

- Correct answer is B

**28. 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. Serves as the functionary for implementing all board of directors' decisions.
- C. Draws upon skills of board members in facilitating appropriate discussion and decision making.
- D. Identifies those topics with which the board should involve itself.

- Correct answer is C

**29. Which of the following bodies has the final accountability for the formulation of policies and procedures concerning professional responsibilities within the healthcare organization?**

- A. Chief executive and senior management.
- B. Medical executive committee.
- C. Governing authority.
- D. Quality assurance committee.

- Correct answer is C

**30. Which of the following is a key responsibility of a governing board?**

- A. Recruit and select the CEO.
- B. Operationalize the organization's strategic plan.
- C. Assist the CEO with evaluation of the rest of the management team.
- D. Develop a physician recruitment plan.

- Correct answer is **A**. The board is ultimately responsible for hiring the CEO (or president) and evaluating his/her ongoing fitness for that role. This includes establishing personal performance goals and objectives. Monitoring, evaluating and providing meaningful feedback is an important board responsibility. The CEO is the only member of the management team that reports directly to the board. The CEO and his designated management team are responsible for executing the other duties listed.

**31. The main role of the board is:**

- A. Selecting the CEO
- B. Overseeing operations
- C. Setting institutional policy
- D. Running the institution in the absence of the CEO

- The correct answer is **C** because the board functions at a higher level of supervision as opposed to day to day operations. While the other three answers are all relevant to the board's responsibilities, ultimately policies and plans must be in place to serve as guidelines and a road map for the organization. The CEO is effectively the navigator to ensure that the organization remains on that path.

**32. Governing boards are typically more effective at what size?**

- A. 10 to 15 members.
- B. 15 to 25 members.
- C. 5 to 10 members.
- D. More than 25 members.

- Correct answer is **A**.