

ACHE of Georgia BOG Prep 2025

Week 4 Quiz & Answer Key

Laws & Regulations

Robert Eaton, JD, FACHE

16. Which of the following regulations exempted self-funded employer sponsored health insurance plans from state insurance regulation?

- A. BBA
- B. TEFRA
- C. COBRA
- D. ERISA

- Correct answer is D

- **Know the acronyms**

17. Which statement best describes the status of health organizations under antitrust law?
- a. The medical staff appointments are exempt from antitrust litigation.
 - b. They are subject to antitrust law relative to price fixing and boycotts.
 - c. They are exempt from most antitrust principles because they are “charitable.”
 - d. They are subject to antitrust law, just as any other industry is.

i. Correct answer is D

18. All of the following statements about documentation in the medical record are true *except*:

- a. Verbal orders must be authorized by the practitioner within a time frame to be defined by the medical staff
- b. Verbal orders can only be accepted by registered nurses
- c. Authentication may be made by actual written signatures, initials, rubber stamp signatures, or computer “signatures”
- d. That entries must be authenticated by the actual author only.

i. Correct answer is B

19. Which of the following is not an advantage of an effective Corporate Compliance Program for a healthcare organization?

- a. Initiating immediate and appropriate corrective actions.
- b. Costs of implementation and operations.
- c. Developing processes to allow employees to report potential problems
- d. Identifying and preventing criminal and unethical conduct.

i. Correct answer is B

20. In the past, hospitals have been less effective in lobbying than physicians because:

- a. Legislators like physicians more
- b. Physicians have better lobbyists
- c. The law prevents hospitals from lobbying
- d. Hospitals don't vote

i. Correct answer is D

21. In general, courts exhibit which attitude regarding controversies over medical staff privileges?

- a. Human lives are at stake and the courts must intervene to protect physicians' rights to save those lives.
- b. If the decision were supported by reasonable evidence, courts will not substitute their judgment for that of the hospital board.
- c. Hospitals must not be permitted to interfere with the doctor-patient relationship.
- d. Courts may not entertain suits regarding medical staff privileges.

- Correct answer is B

22. Under federal law, whenever a patient comes to a hospital emergency department with an emergency condition:

- a. With few exceptions, the patient's ability to pay may be considered in determining whether to provide treatment
- b. With few exceptions, the patient's condition must be stabilized before he/she is transferred or discharged
- c. A police officer may be asked to authorize treatment
- d. The hospital has no duty to treat the person if he/she is not a patient or a member of the medical staff

- Correct answer is B

23. In considering applications for medical staff privileges, hospitals receive reports from a U.S. Government clearinghouse on malpractice payments and adverse medical staff and licensure actions. In general, these reports have had which effect?

- a. Reports have rarely led hospitals to make privileging decisions they would not have made otherwise
- b. Reports have been timely and helpful and have reduced the complexity of the privileging process
- c. Had they not received the reports, most hospitals' privileging decisions would usually have been different
- d. Hospitals usually receive significant information that neither the practitioner involved nor any other sources had provided.

- Correct answer is A

24. Which of the following statements best summarizes the prevailing legal standard used to judge the actions of members of a not-for-profit healthcare organization's governing board?

- a. They must act in good faith, with reasonable care, and with the best interests of the corporation in mind.
- b. They must exercise the same high level of fiduciary duty as is applied to the trustees of a trust.
- c. They must avoid gross negligence and willful misconduct.
- d. They are immune from personal liability.

- Correct answer is A

25. Which of the following is the clear trend regarding a hospital's liability for the actions of members of its medical staff?

- a. The hospital may be held liable for a physician's negligence even though the physician is an "independent contractor".
- b. Hospitals are not liable for such actions because they are simply physical sites where patients receive treatment from privately retained physicians.
- c. Courts are becoming more reluctant to impose liability on hospitals for the negligence of physicians who use their facilities.
- d. The hospital is liable only if the physician is an employee.

- Correct answer is A

26. A joint venture laboratory owned by a hospital and physicians on its medical staff would probably be in violation of fraud and abuse laws if it were to:

- a. Market its services to both investors and non-investors
- b. Offer ownership shares at the same price to referrers and non-referrers
- c. Require investors to refer business to it
- d. Base its profit distributions on the amount of capital contributed, not on referrals.

- Correct answer is C

27. The most useful way for a healthcare organization to deal with outside regulatory and credentialing bodies is to:

- a. Identify opportunities to influence political outcomes
- b. Regularly maintain both formal and informal relationships with these agencies
- c. Deal with these agencies only in written form so as to have a clear paper trail for subsequent review and analysis
- d. Provide only the minimum amount of information required to comply with the regulations of the agency

- Correct answer is B

28. The thrust of antitrust legislation as applied to the healthcare field is to:

- a. Contain costs
- b. Contain rising costs of independent single unit hospital
- c. Monitor the scope of health services provided in a given year
- d. Protect the public's economic interest

- Correct answer is D

29. Which of the following courts is often given jurisdiction to hear cases involving such matters as surgery for an incompetent person or the involuntary commitment of a mentally ill person?

- a. Family court.
- b. Juvenile court.
- c. Appellate court.
- d. Probate court.

- Correct answer is D

30. Congress enacted Stark II to prohibit which of the following?
- a. A physician or an immediate family member from referring a patient to an entity with which they have a financial relationship.
 - b. Hospitals and physicians from partnering to build in-patient acute care facilities.
 - c. Hospitals and physicians from joint venturing in the offering of outpatient imaging centers.
 - d. A hospital from referring a patient to a wholly-owned entity of which it has total ownership.

i. Correct answer is A