

CERTIFICATION MIX AND MATCH

by Jane Piotrowski, CHFP

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|---------------------------------------|---|
| 1 _____ Liquidity Ratio | A <i>How acute hospitals are paid by CMS for inpatient stays.</i> |
| 2 _____ Profitability Ratio | B <i>The interest rate at which the project's cash discounted inflows and outflows exactly cancel each other out.</i> |
| 3 _____ Solvency Ratio | C <i>The monetary measure of a service rendered.</i> |
| 4 _____ Force Majeure | D <i>The business functions and processes that convert an organizations sales into cash.</i> |
| 5 _____ Choice of Law | E <i>A provision in a contract which states that if parts of the contract are held to be illegal or otherwise unenforceable, the remainder of the contract should apply.</i> |
| 6 _____ Expense | F <i>Measures the ability of the organization to survive over a longer period of time.</i> |
| 7 _____ Internal Rate of Return (IRR) | G <i>Measures the income or operating success of an enterprise for a given period of time.</i> |
| 8 _____ Payback Method | H <i>Measures the short-term ability of the organization to pay its maturing obligations and to meet unexpected needs for cash.</i> |
| 9 _____ Revenue Cycle | I <i>Used in contracts to protect the parties in event that a segment of the contract cannot be performed due to causes outside the control of the parties, e.g. natural disasters.</i> |
| 10 _____ IPPS | J <i>An expired cost.</i> |
| 11 _____ Revenue | K <i>The law of which jurisdiction will be applied should there be a dispute in a transaction.</i> |
| 12 _____ Severability of Agreement | L <i>Number of years in which the initial cash outlay of a project is fully recovered by its future cash inflows.</i> |

CERTIFICATION MIX-AND-MATCH

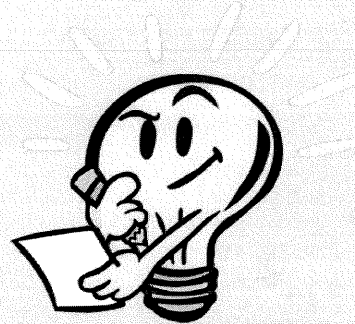
Are you ready to take the CHFP exam? Match the term on the left with the correct definition on the right to see how prepared you are!

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| 1. _____ Annualized Method for FTE Calculation | A Long-term debt / (long-term debt + unrestricted fund balance) |
| 2. _____ Return on Assets | B $\frac{\text{Gross Patient Service Revenue} + \text{Other Operating Revenue}}{\text{Operating Expenses}}$ |
| 3. _____ Debt-to-capitalization (%) | C Maximum amount Medicare will pay in a given area for a covered service |
| 4. _____ Average Length of Stay | D If payment received within 10 days, 2% is deducted from bill, otherwise, the total is due in 30 days. |
| 5. _____ Markup | E Sum of all debt service payments |
| 6. _____ Total Debt Service | F Volume, Rate, Price, and Efficiency |
| 7. _____ Variance Types | G Established to Regulate corporate governance and help prevent abuses. Not mandatory for not-for-profits. |
| 8. _____ Sarbanes-Oxley (SOX) | H The equivalent of one 2,080-hour employee. |
| 9. _____ Allowed Amount | I to the amount of services provided; typically paid per member per month |
| 10. _____ Capitation | J Uniform Billing Form (Paper Form) - NON-Medicare; being replaced with 837I form |
| 11. _____ UB-04 | K $\frac{\text{Total inpatient days}}{\text{total discharges}}$ |
| 12. _____ Capitation payments | L $\frac{\text{Excess of revenues over expenses}}{\text{Total Assets}}$ |
| 13. _____ 2/10 N/30 | M Not patient service revenue but premium revenue. |

Answers: 1-H, 2-L, 3-A, 4-K, 5-B, 6-E, 7-F, 8-G, 9-C, 10-I, 11-J, 12-M, 13-D

Certification Mix and Match

By Jane Kapoian, CHFP



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| 1. _____ FTE | A The maximum number of beds for which a hospital holds a license to operate. Many hospitals do not operate all of the beds for which they are licensed. |
| 2. _____ Licensed Beds | B The difference between what hospitals bill and what they receive in payment from third party payers. |
| 3. _____ Staffed Beds | C A common acronym which stands for "Full Time Equivalent"; or one or more employees whose total weekly hours generally equal 40, or 2080 annually. |
| 4. _____ Gross Patient Service Revenue | D When a patient has coverage from two or more sources, it is a convention which determines which source is primary, and must pay first. It also prevents double payment. |
| 5. _____ Contractual Allowance | E The allocation of the cost of a capital asset to periods in which the assets are used. |
| 6. _____ Depreciation | F The total of all charges derived from providing patient services before discounts, contractuels, bad debt and free care. |
| 7. _____ Balance Sheet | G 18-month federally mandated benefit provided to employees or family members if they lose coverage due to loss of employment, reduced hours, divorce, or death of a supporting spouse. |
| 8. _____ Coordination of Benefits (COB) | H Beds that are licensed and physically available for which staff is on hand to attend to the patient who occupies the bed. Includes those that are occupied and those that are vacant. |
| 9. _____ Coinsurance | I The amount that is owed for covered health care services before the patient's health insurance or plan begins to pay. |
| 10. _____ CMS | J The patient's share of the costs of a covered health care service, calculated as a percent (for example, 20%) of the allowed amount for the service. |
| 11. _____ Deductible | K One of the four basic financial statements. This statement records what an organization owns, what it owes, and what it is worth at a particular point in time. |
| 12. _____ COBRA (Consolidated Omnibus Budget Reconciliation Act) | L The Centers for Medicare and Medicaid Services is the federal agency that runs the Medicare, Medicaid, and Children's Health Insurance Programs, and the federally facilitated Marketplace. |

Answers: 1-C, 2-A, 3-H, 4-F, 5-B, 6-E, 7-K, 8-D, 9-J, 10-L, 11-I, 12-G