Questions

2.1 Briefly explain the following characteristics of insurance:
   a. Pooling of losses
   b. Payment only for random losses
   c. Risk transfer
   d. Indemnification

2.2 What is adverse selection, and how do insurers deal with the problem?

2.3 What is the moral hazard problem?

2.4 Briefly describe the major third-party payers.

2.5 a. What are the primary characteristics of managed care plans?
   b. Describe different types of managed care plans.

2.6 What is the difference between fee-for-service reimbursement and capitation?

2.7 Describe the provider incentives under each of the following reimbursement methods:
   a. Cost based
   b. Charge based (including discounted charges)
   c. Per procedure
   d. Per diem
   e. Per diagnosis
   f. Bundled payment
   g. Capitation

2.8 What medical coding systems are used to support fee-for-service payment methodologies? ICD and CPT, HCPCS (expanding CPT to include non-physician services)

2.9 Briefly describe how Medicare pays for the following:
   a. Inpatient services IPPS
   b. Physician services RBRVS

2.10 What are some features of the ACA that affect healthcare insurance and reimbursement? move from fee-for-service to prospective payment reimbursement payment.

Resources

For the latest information on events that affect the healthcare sector, see Modern Healthcare, *published weekly by Crain Communications Inc., Chicago.*

Other resources pertaining to this chapter include