

con 355 Final Exam

Multiple Choice

Identify the letter of the choice that best completes the statement or answers the question.

- _____ 1. Statement 1: "Estimated rates of return to education for primary care physicians are typically greater than the estimated for dentists."

Statement 2: "Health economists suggest that there is a shortage of primary care physicians, but they think it is a temporary thing as rates of return for primary care physicians are sure to increase in the near future."

- a. Statement 1 is true, but 2 is false
 - b. Both statements are true
 - c. Both statements are false
 - d. Statement 2 is true, but 1 is false
- _____ 2. Which of the following most accurately describes the administration of Medicare and Medicaid in the US?
- a. Medicaid is administered by the Federal Government, but Medicare is run by the state governments.
 - b. Medicare is administered by the Federal Government, but Medicaid is run by the state governments.
 - c. While the money is provided by the Federal Government, both Medicare and Medicaid are administered by the state governments.
 - d. Both Medicare and Medicaid are administered by the Federal Government.
- _____ 3. Statement 1: "When a newly patented drug receives a 20 year patent period, they can start selling it right away and get 20 years of monopoly profit."

Statement 2: "When health insurance pays for a patented drug theory suggests that the price of the drug is likely to rise."

- a. Both statements are false
 - b. Statement 1 is true, but 2 is false
 - c. Both statements are true
 - d. Statement 2 is true, but 1 is false
- _____ 4. Statement 1: "Hospitals frequently charge different prices for the same procedure to different customers."
- Statement 2: "Since 2000 the percentage of hospitals that are non-profit in the US has increased enormously."
- a. Both statements are false
 - b. Both statements are true
 - c. Statement 1 is true, but 2 is false
 - d. Statement 2 is true, but 1 is false

5. Statement 1: "According to the theory of Physician Induced Demand, when the supply of doctors increases, existing physicians are likely to recommend more medical care which keeps the revenues earned by medical doctors from falling very much."

Statement 2: "Since demand for physician's services is likely to be inelastic, an increase in the supply of physicians is likely to significantly reduce the rate of return to education for primary care physicians."

- a. Both statements are false
 - b. Both statements are true
 - c. Statement 2 is true, but 1 is false
 - d. Statement 1 is true, but 2 is false
6. Statement 1: "Orphan drugs are drugs that have lost their patent and are not produced anymore because they are no longer profitable."

Statement 2: "Newly patented drugs in the US never have a patent longer than 20 years."

- a. Statement 2 is true, but 1 is false
 - b. Both statements are true
 - c. Both statements are false
 - d. Statement 1 is true, but 2 is false
7. Statement 1: "A Network model Health Maintenance Organization typically owns its own facilities and employs its own physicians."

Statement 2: "A Point of Service health insurance plan will typically assign a primary care physician to each enrollee to act as a gatekeeper doctor, and do periodic utilization review on that doctor."

- a. Statement 1 is true, but 2 is false
 - b. Both statements are false
 - c. Statement 2 is true, but 1 is false
 - d. Both statements are true
8. Which of the following is **not** true concerning the conclusions of research evaluating managed care methods of insuring enrollees?

- a. The cost of managed care insurance to employers is clearly below the cost of fee-for-service insurance.
- b. The quality health care provided to clients in managed care policies is clearly worse than that provided in fee-for-service insurance.
- c. Managed care insurance is unpopular with many in the US population.
- d. All of the above are conclusions of research evaluating managed care.

9. Statement 1: "Morbidity statistics often include measures of restricted-activity days due to illness, incidence rate of chronic conditions, self-assessment of health status."

Statement 2: "Morbidity statistics often include estimates of length of life."

- a. Statement 1 is true, but 2 is false
- b. Both statements are false
- c. Both statements are true
- d. Statement 2 is true, but 1 is false

10. Statement 1: "There is no evidence that the Affordable Care Act increase the percentage of the US population enrolled in health insurance plans."

Statement 2: "The Affordable Care Act required that some inexpensive insurance, often featuring very large deductibles, be upgraded to meet the minimum requirements of the ACA."

- a. Statement 1 is false, but 2 is true
- b. Statement 2 is false, but 1 is true
- c. Both statements are true
- d. Both statements are false