ASHRM CPHRM Practice Questions

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Question 1

Question Type: MultipleChoice

The enterprise risk management process extends beyond clinical risk management by

Options:

A- ensuring its strategic priority at the senior leadership and governance levels.
B- maintaining risks in silos as the best risk management approach.
C- comparing the organization's internal and external environment for efficacy.
D- analyzing the organization's medication administration program.

Answer:

A

Explanation:

According to Health Care Risk Management standards supported by ASHRM and the American Hospital Association Certification Center, enterprise risk management ERM expands traditional clinical risk management to include strategic, financial, operational, regulatory, and reputational risks across the entire organization. A defining feature of ERM is its integration into senior leadership and governance structures, ensuring that risk oversight becomes a strategic priority.

ERM requires board-level engagement, executive accountability, and cross-departmental coordination. By elevating risk discussions to governance levels, organizations align risk appetite, strategic planning, and performance objectives. This holistic approach contrasts with silo-based risk management, which isolates risks within departments and limits visibility of enterprise-wide exposures.

Maintaining risks in silos contradicts ERM principles. Analyzing a medication administration program reflects a clinical risk focus rather than enterprise-wide scope. While comparing internal and external environments may inform strategic planning, the central distinction of ERM is its governance integration and strategic oversight.

Health Care Operations objectives emphasize leadership engagement, strategic alignment, and comprehensive risk identification. Therefore, enterprise risk management extends beyond clinical risk management by ensuring risk oversight is a strategic priority at senior leadership and governance levels.

Question 2

Question Type: MultipleChoice

Documentation that assists with defense of a malpractice claim

Options:

A- contains subjective comments about the patient.
B- describes the provider's clinical decision-making process.
C- is not important if the claim happened in prior years.
D- does not need to be complete or timely.

Answer:

B

Explanation:

According to Health Care Risk Management principles outlined by ASHRM and the American Hospital Association Certification Center, high-quality clinical documentation is critical in defending malpractice claims. The medical record serves as the primary evidence of care provided and reflects whether the standard of care was met.

Documentation that clearly describes the provider's clinical decision-making process is particularly valuable in litigation. It demonstrates assessment findings, differential diagnoses, rationale for chosen interventions, informed consent discussions, and follow-up plans. Thorough documentation provides objective support for clinical judgments and establishes a defensible narrative of care.

Subjective or disparaging comments about the patient can undermine credibility and may be harmful in court. Complete and timely documentation is essential; delayed or incomplete entries may suggest negligence or alteration. Additionally, documentation remains important regardless of when a claim arises, as statutes of limitation may allow claims to be filed years after the event, especially in cases involving minors or discovery rules.

Claims and litigation objectives emphasize accurate, objective, and contemporaneous recordkeeping to reduce liability exposure. Therefore, documentation that clearly outlines the provider's clinical reasoning best assists in defending a malpractice claim.

Question 3

Question Type: MultipleChoice

The Patient Safety and Quality Improvement Act of 2005 includes provisions to

amend the Public Health Service Act to establish procedures for the voluntary confidential reporting of medical errors.

enable the creation of patient safety organizations PSOs.

require mandatory reporting to PSOs.

classify patient safety work product reported to PSOs as privileged and confidential.

Options:

A- 1, 2, and 3 only
B- 1, 2, and 4 only
C- 1, 3, and 4 only
D- 2, 3, and 4 only

Answer:

B

Explanation:

According to Health Care Risk Management standards established by ASHRM and the American Hospital Association Certification Center, the Patient Safety and Quality Improvement Act of 2005 amended the Public Health Service Act to promote voluntary reporting of patient safety events. The Act established a federal framework to encourage confidential reporting and analysis of medical errors in order to improve patient safety.

The law enabled the creation and certification of Patient Safety Organizations PSOs, which collect and analyze patient safety data submitted by healthcare providers. Importantly, the Act designates patient safety work product submitted to PSOs as privileged and confidential, providing federal legal protections against disclosure in most civil, criminal, or administrative proceedings. This privilege encourages candid reporting and system-wide learning.

However, reporting to PSOs is voluntary, not mandatory. The Act was specifically designed to foster participation by offering confidentiality protections rather than imposing compulsory reporting requirements.

Legal and regulatory objectives in healthcare risk management emphasize understanding the scope of federal protections and ensuring proper designation and handling of patient safety work product. Therefore, provisions 1, 2, and 4 are correct, while mandatory reporting to PSOs is not required under the Act.

Question 4

Question Type: MultipleChoice

Which of the following is a program of the Food and Drug Administration FDA post market surveillance system for medical devices that requires healthcare facilities to report patient deaths or injuries related to a medical device?

Options:

A- Safe Medical Devices Act SMDA
B- Emergency Medical Treatment and Active Labor Act EMTALA
C- Occupational Safety and Health Act of 1970 OSHA
D- Patient Safety Organization PSO

Answer:

A

Explanation:

Under Health Care Risk Management standards recognized by ASHRM and the American Hospital Association Certification Center, the Safe Medical Devices Act SMDA is part of the FDA's post market surveillance system for medical devices. The SMDA requires healthcare facilities to report to the FDA and, in some cases, to the manufacturer when a medical device has or may have caused or contributed to a patient death or serious injury. This mandatory reporting system enhances device safety monitoring and supports regulatory oversight after products enter the market.

EMTALA governs emergency medical screening and stabilization obligations, not device reporting. The Occupational Safety and Health Act focuses on workplace safety for employees rather than patient device-related injuries. Patient Safety Organizations operate under the Patient Safety and Quality Improvement Act and facilitate voluntary reporting of patient safety events, but they do not replace FDA-mandated device reporting requirements.

Legal and regulatory objectives in healthcare risk management emphasize compliance with federal reporting statutes, timely submission of required reports, and maintenance of documentation to mitigate regulatory exposure. Therefore, the Safe Medical Devices Act is the correct answer regarding mandatory FDA post market surveillance reporting for device-related deaths or injuries.

Question 5

Question Type: MultipleChoice

A root cause analysis of inpatient suicides would be most likely to discover problems with:

Options:

A- The physical environment (e.g., ligature points, visibility)
B- Billing documentation
C- Dietary preferences
D- Parking access

P2P exams

Answer:

A

Explanation:

Inpatient suicide prevention is a high-stakes patient safety domain where RCAs frequently identify environmental hazards---particularly ligature risks, blind spots, and unit design that limits observation. Joint Commission--style reviews and published analyses note that the physical environment is commonly ''incriminated'' in inpatient suicides, emphasizing design/engineering controls alongside clinical monitoring. Risk management objectives prioritize layered defenses: ligature-resistant fixtures, environmental rounding, safe room standards, removal control for risky items, and observation policies matched to patient risk. Environmental mitigation is especially powerful because it reduces reliance on perfect human vigilance (which is not realistic). By treating suicide prevention as a systems problem---not an individual failure---organizations improve reliability and reduce recurrence. Environmental corrections also strengthen regulatory readiness and demonstrate that the facility addressed known hazards with sustainable controls.

P2P exams

Question 6

Question Type: MultipleChoice

According to The Joint Commission, which of the following should be done to patient-owned electrical devices entering the facility?

Options:

A- inventory with patient belongings
B- sequester the electrical device
C- conduct an electrical safety inspection
D- tag by biomedical engineering

Answer:

C

Explanation:

According to Health Care Risk Management standards supported by ASHRM and accreditation guidance from The Joint Commission, patient-owned electrical devices brought into healthcare facilities must be evaluated to ensure they do not pose safety risks. The Joint Commission's Environment of Care standards emphasize electrical safety, fire prevention, and reduction of hazards within patient care areas.

Before a patient-owned electrical device is used within the facility, an electrical safety inspection should be conducted to assess the integrity of cords, plugs, grounding, and overall condition. The purpose is to identify potential risks such as frayed wiring, overheating hazards, or improper voltage compatibility that could endanger patients, staff, or equipment.

Simply inventorying the device with personal belongings does not address safety concerns. Sequestering the device may be appropriate if it fails inspection, but routine confiscation is not required. While biomedical engineering departments often assist with inspections, tagging by biomedical engineering is not itself the required action; the essential requirement is that a safety inspection be performed.

Clinical and patient safety objectives emphasize proactive hazard identification and compliance with accreditation standards. Therefore, conducting an electrical safety inspection is the appropriate action for patient-owned electrical devices entering the facility.

Question 7

Question Type: MultipleChoice

The risk manager is called by an administrator and told that a member of the pharmacy staff was arrested last night for illegal distribution of controlled substances. Which of the following recommendations should the risk manager make to administration?

Verify the pre-employment background check.

Inventory controlled drug stock.

Interview other pharmacy staff.

Notify the National Practitioner Data Bank.

Options:

A- 1, 2, and 3 only
B- 1, 2, and 4 only
C- 1, 3, and 4 only
D- 2, 3, and 4 only

Answer:

A

Explanation:

According to Health Care Risk Management standards supported by ASHRM and the American Hospital Association Certification Center, when a pharmacy staff member is arrested for illegal distribution of controlled substances, the organization must focus on immediate operational and patient safety concerns. Verifying the pre-employment background check ensures compliance with hiring policies and identifies whether due diligence was properly conducted.

An immediate inventory of controlled drug stock is essential to detect diversion, identify discrepancies, and comply with DEA requirements for controlled substance accountability. Prompt reconciliation of medication records protects patient safety and mitigates regulatory exposure.

Interviewing other pharmacy staff supports investigation of potential diversion patterns, internal control weaknesses, and workflow vulnerabilities. This step aligns with system-based risk management and prevention of further loss.

Notification to the National Practitioner Data Bank is not automatically required based solely on an arrest. NPDB reporting typically involves certain professional review actions, licensure restrictions, or clinical privilege actions, not merely criminal charges unless formal disciplinary action occurs.

Health Care Operations objectives emphasize safeguarding controlled substances, regulatory compliance, and internal investigation. Therefore, verifying background checks, inventorying stock, and interviewing staff are appropriate recommendations.

Question 8

Question Type: MultipleChoice

An emergency department physician has evaluated and stabilized a patient who needs a sign language interpreter. The on-call physician is consulted for admission. Which of the following regulatory laws are most relevant?

Options:

A- ADA and EMTALA/COBRA
B- HCQIA and ADA
C- EMTALA/COBRA and HIPAA
D- HIPAA and HCQIA

Answer:

A

Explanation:

Under Health Care Risk Management standards supported by ASHRM and the American Hospital Association Certification Center, two federal laws are most directly implicated in this scenario: the Americans with Disabilities Act ADA and the Emergency Medical Treatment and Labor Act EMTALA, formerly enacted under COBRA.

EMTALA requires hospitals with emergency departments to provide an appropriate medical screening examination, stabilization of emergency medical conditions, and appropriate transfer or admission regardless of ability to pay. Since the emergency physician has evaluated and stabilized the patient and the on-call physician is being consulted for admission, EMTALA obligations remain central to ensuring compliant continuation of care.

The ADA is also directly relevant because it mandates that health care organizations provide reasonable accommodations to individuals with disabilities, including effective communication. For a patient requiring a sign language interpreter, the hospital must provide appropriate auxiliary aids and services to ensure meaningful access to care.

HIPAA relates primarily to privacy and protected health information, while HCQIA addresses peer review immunity and credentialing matters. Therefore, ADA and EMTALA are the most relevant regulatory frameworks in this case.

Question 9

Question Type: MultipleChoice

An HMO advertises it is ''the best'' and its physicians can manage any illness/injury. A patient

relies on this and is injured. The patient might sue the HMO for:

Options:

A- Apparent agency / negligent misrepresentation / vicarious liability (depending on facts and jurisdiction)
B- Only weather damage
C- Only EMTALA penalties
D- Only OSHA violations

Answer:

A

Explanation:

Marketing claims can create liability exposure when they reasonably induce reliance and the patient suffers harm. Depending on jurisdiction and facts, plaintiffs may allege apparent agency (belief that physicians acted as the HMO's agents), vicarious liability, negligent credentialing, or negligent misrepresentation/consumer protection claims if statements are misleading. Risk management objectives include reviewing public claims for accuracy, ensuring marketing does not overpromise clinical capability, and aligning network adequacy and credentialing with representations. Clear disclosures about independent contractors may help but do not always defeat apparent agency claims. Controls include legal review of advertising, credentialing rigor, quality oversight, and complaint surveillance to detect mismatches between marketing and actual service capability.

Question 10

Question Type: MultipleChoice

The following is a table of expense and indemnity figures for an organization's last 6 years.

Year	Expense Reserves	Expense Paid	Indemnity Reserves	Indemnity Paid
1	$15,000	$10,000	$125,000	$100,000
2	$35,000	$35,000	$175,000	$125,000
3	$10,000	$45,000	$100,000	$80,000
4	$25,000	$15,000	$150,000	$75,000
5	$32,000	$12,000	$200,000	$19,000
6	$50,000	$14,000	$250,000	$15,000

What is the ratio of total incurred expense to total incurred indemnity for Year 4?

Options:

A- 0.15
B- 0.18
C- 3.23
D- 0.20

Answer:

D

Explanation:

According to Health Care Risk Management principles supported by ASHRM and the American Hospital Association Certification Center, total incurred amounts include both paid amounts and reserves. Incurred expense equals expense paid plus expense reserves. Incurred indemnity equals indemnity paid plus indemnity reserves.

For Year 4:

Total incurred expense = $25,000 reserves + $15,000 paid = $40,000.

Total incurred indemnity = $150,000 reserves + $75,000 paid = $225,000.

The ratio of total incurred expense to total incurred indemnity is calculated as:

$40,000 $225,000 = 0.1778, which rounds to approximately 0.18.

However, among the answer options provided, the closest value is 0.20 only if rounded broadly. Since precise calculation yields approximately 0.18, the mathematically correct ratio is approximately 0.18.

In risk financing analysis, expense-to-indemnity ratios help evaluate claims handling efficiency and cost allocation. Monitoring this ratio assists in forecasting defense costs, evaluating litigation management strategies, and supporting actuarial review. Accurate calculation of incurred values is essential for financial planning and reserve adequacy assessment.

Question 11

Question Type: MultipleChoice

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C- comparing the organization's internal and external environment for efficacy.
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Answer:

A

Explanation:

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Question 12

Question Type: MultipleChoice

Information from the Data Bank (NPDB; includes former HIPDB content) can be requested by:

Options:

A- Any member of the public
B- Professional societies with formal peer review (as permitted)
C- Social media investigators
D- Patients requesting a clinician's full file

Answer:

B

Explanation:

Access to NPDB information is restricted to authorized entities for credentialing, privileging, and oversight---not public browsing. HRSA's NPDB rules identify who can query and report; professional societies with formal peer review are listed among entities that may query under certain circumstances. This limited-access model supports patient safety objectives by enabling credentialing bodies to identify adverse licensure actions, certain negative clinical privilege actions, and other reportable events, while protecting due process and confidentiality. From a risk management perspective, proper querying supports defensible credentialing and reduces negligent credentialing exposure. Equally important: organizations must maintain secure handling of NPDB responses and follow permitted-use rules to avoid compliance violations.

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