

American Academy of Medical Administrators
Examination Study Guide for the Designation
Credentialed member, American Academy of Medical Administrators (CAAMA)
Updated July 2010

Preparing for the Examination

The following general information is intended to provide the candidate with fundamental information on how to prepare for the examination. The examination has two parts. The first section is comprised of one hundred (100) objective multiple-choice questions. The second section requires the candidate to respond in written form to three questions based on current healthcare issues and developments.

The examination is based on the basic body of knowledge, understanding, skills and values relevant to healthcare administration as defined by the Commission on Accreditation of Healthcare Management Education (CAHME). Such information and learning can be achieved from work experience, reading, professional associations as well as formal academic education.

Consideration is given to the CAHME areas outlined below in the development of a credentialing examination:

- Population health & status assessment
- Organizational development
- Statistical analysis & application
- Information systems management & assessment
- Written, verbal, & interpersonal communication skills
- Market analysis, research, & assessment
- Financial analysis & management
- Strategy formulation & implementation
- Professional skills development
- Management & structural analysis of healthcare organization, including evaluation & redesign
- Governance – structure, roles, responsibilities & alignment to leadership
- Health policy formulation, implementation & evaluation
- Operations assessment & improvement
- Legal principles development, application, & assessment
- Management of human resources & health professionals
- Economic analysis & application to decision making
- Leadership - vision, change management & team development
- Ethics in business & clinical decision-making
- Quality assessment for patient care improvement
- Organizational behavior theory & application

A. Multiple-Choice Section

The objective section of the examination is comprised of one hundred (100) multiple-choice questions. From the core areas, questions will be selected to test the applicant's knowledge and understanding of the language, tools, and concepts central to administrative practice. To assist the candidate in preparing for the examination, the following sample questions have been selected from the examination question bank. Correct answers to the sample questions appear after the section on the essay portion of the exam.

1. The term health system loosely describes all the resources a country devotes to health promotion, disease preventions and medical care, including health organizations and their relationships. Health systems continually evolve in response to changes in all of the following ways except for
 - a. demographic and disease patterns of populations
 - b. political power of physicians related to the power of governments, consumers, and other service providers
 - c. managerial and labor disputes on salary and benefits
 - d. public policies regarding medical care quality, access, and cost

2. Fundamental to the financial condition of a healthcare delivery system are the mechanisms used for provider reimbursement and the levels at which providers are reimbursed. The method of reimbursement that pays providers a fixed amount per member per month is called
 - a. fee schedule
 - b. capitation
 - c. RBRVS
 - d. DRGs

3. The management of XYZ Hospital is concerned about the performance trend shown by the institution in recent years. Which of the following financial statements will be most useful in any effort to analyze and correct the situation?
- the balance sheet
 - the income statement
 - the inventory statement
 - the cash flow statement
4. Expenses that may vary directly with the quantity of work being performed are _____ costs
- fixed
 - semi-variable
 - variable
 - semi-fixed
5. Which of the following is a primary reason why health systems decentralize authority to operating divisions?
- to establish uniform operating methods
 - to take advantage of a strong corporate staff
 - to provide better coordination of activities among operating divisions
 - to increase accountability by establishing profit centers
6. Healthcare Re-engineering can be defined as:
- a variation of total quality management that seeks to improve patient care processes through benchmarking, use of statistical tools, and customer satisfaction data
 - the radical redesign of the critical systems and processes used to produce, deliver and support patient care in order to achieve dramatic improvements in organizational performance within a short period of time
 - a redesign of patient care so that hospital resources and personnel are organized around the patient
 - a bottom up approach to quality improvement that focuses on sustained, incremental process improvement over time
7. Which of the following theories of motivation proposes that workers tend to be motivated when they desire a particular reward and believe that their effort will result in a level of performance that earns the reward?
- Equity theory
 - Expectancy theory
 - Hierarchy of Needs theory
 - Reinforcement Theory
8. Each health care organization should have an ongoing and active risk management program designed to objectively evaluate the quality and appropriateness of clinical care as it relates to the chances of loss to the organization. Choose the correct ordering of the five accepted phases of the risk management process.
- monitor and improve the program, identify loss, examine alternative techniques, choose the best technique for resolution, implement the technique.
 - identify loss, examine alternative techniques, choose the best technique for resolution, implement the technique, monitor and improve the program.
 - identify loss, choose the best technique for resolution, examine alternative techniques, implement the technique, monitor and improve the program.
 - monitor and improve the program, identify loss, choose the best technique for resolution, examine alternative techniques, implement the techniques.

9. Managers are individuals who plan, organize, direct, control and coordinate activities in order to move the organization toward:
- higher profits
 - greater social influence
 - desired objectives
 - economic stability
10. Which of the following actions would tend to increase cash?
- An increase in Accounts Receivable
 - A reduction in Retained Earnings
 - A reduction in Accounts Payable
 - A reduction in Supplies Inventory

(Answers to sample questions on page 4)

B. Essay Section

The essay section has five questions of which you are required to answer three.

Sample Question:

Risk-bearing contracts are a new challenge for provider organizations becoming active in direct contracting in managed care. Discuss some of the risks involved in direct contracting by providers and how they can address this issue to insure viability of their contracts.

When taking the actual exam, please take a moment or two with each topic to organize your thoughts and present your response in an organized and cohesive fashion that will demonstrate your grasp and understanding of the issue. Note that there are multiple parts to each essay question. Make sure you answer all parts of the question. Essays can generally be answered in 250-300 words. Short or long essay responses will not be penalized.

In addition to factual correctness, the grading of these essays will take into account the following:

- Was the essay well organized?
- Was there a logical flow of ideas?
- Professional presentation (spelling, grammar, appropriateness)
- Did the answer demonstrate understanding of and insight into important healthcare concepts?
- Were the points, arguments or opinions presented in the essay supported with facts, examples and/or logic?

Answers to multi-choice questions:

1. C
2. B
3. B
4. C
5. D
6. B
7. B
8. B
9. C
10. D

C. Suggested Reading Materials

Healthcare Websites:

www.census.gov
www.dhhs.gov
www.hcfa.com
www.jointcommission.org
www.whitehouse.gov
www.loc.gov
www.aameda.org

Healthcare Journals:

Modern Healthcare
Hospitals and Health Networks
American Journal of Public Health
Healthcare Financial Management
AAMA Executive Online

Recommended Reading List:

The following are texts that will assist you with preparing for the CAAMA examination. It is recommended that you use a current edition; however, older editions should suffice. Texts listed under “Multi-Topic” are highly recommended and cover most, if not all, of the domains of knowledge on the examination.

• Multi-Topic

Griffith, John R., *The Well-Managed Health Care Organization*, AUPHA Press
Ginter, P.M., Swayne, L.E., & Duncan, J.W. *Strategic Management of Health Care Organizations*, Blackwell Publishers
Kongstvedt, Peter R., *The Managed Health Care Handbook*, Aspen Publishers
Kongstvedt, Peter R., *Essentials of Managed Health Care*, Aspen Publishers

• Topic-Specific

Finance:

Gapenski, Louis C., *Understanding Health Care Financial Management*, AUPHA Press
Finkler, Steven A., *Essentials of Cost Accounting for Health Care Organizations*, Aspen Publishers

Information Systems:

Tan, Joseph K.H., *Health Management Information Systems*, Aspen Publishers

Marketing:

Berkowitz, Eric N., *Essentials of Health Care Marketing*, Aspen Publishers

AAMA References:

- AAMA Code of Ethics
- AAMA Membership Criteria
- AAMA Advancement Criteria
- AAMA Vision and Mission