



# Medical Professional

## CPHRM Exam

Certified Professional in Health Care Risk Management (CPHRM)

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### Question 1. (Single Select)

A hospital has opted to open an anticoagulation clinic. As this is a high-risk medication, a risk manager wants to conduct a risk assessment before opening the clinic. The BEST tool to use would be a

- A: root cause analysis RC
- B: failure mode and effects analysis FMEA.
- C: cause and effect diagram.
- D: scatter diagram.

Correct Answer: B

#### Explanation:

Failure Mode and Effects Analysis FMEA is the most appropriate tool in this scenario because it is a proactive risk assessment methodology designed to identify and mitigate potential failures before harm occurs. According to Health Care Risk Management principles outlined by ASHRM and the American Hospital Association Certification Center, FMEA is specifically used when introducing new processes, services, or high-risk clinical operations, such as an anticoagulation clinic involving medications with narrow therapeutic indices and significant bleeding risks.

FMEA systematically evaluates each step in a proposed process, identifies possible failure modes, analyzes their causes and effects, and prioritizes risks using severity, occurrence, and detectability scoring. This structured approach aligns with patient safety objectives by reducing preventable adverse events before implementation.

In contrast, Root Cause Analysis RCA is a retrospective tool used after an adverse event has occurred. A cause and effect diagram is a component often used within RCA or FMEA but is not a comprehensive risk assessment tool on its own. A scatter diagram is primarily used for statistical correlation analysis and does not evaluate process failures.

Therefore, for proactive risk identification and mitigation prior to clinic opening, FMEA is the best and most appropriate tool.

### Question 2. (Single Select)

A claims manager needs to open a loss reserve and perform an investigation of an event. They review the patient demographics, the nature and extent of the injury, and other liability factors. Which of the following would be helpful to the claims manager in determining a loss reserve?

- A: comparable verdicts in the county
- B: the surgery center's claims history
- C: the patient's total medical bills
- D: amount of insurance allowed per occurrence

**Correct Answer: A**

**Explanation:**

Within Health Care Risk Management practice as outlined by ASHRM and the American Hospital Association Certification Center, establishing an accurate loss reserve requires an estimation of the probable financial exposure associated with a claim. A loss reserve represents the anticipated cost to resolve a claim, including indemnity payments and defense expenses.

Comparable verdicts in the county are particularly useful because they reflect jurisdiction-specific jury tendencies, local legal climate, and historical award patterns. Venue significantly influences claim valuation, as jury awards can vary substantially between counties and states. Reviewing similar case outcomes allows the claims manager to benchmark potential settlement or verdict ranges based on injury severity and liability factors.

The surgery center's claims history may inform overall risk trends but does not directly determine the value of a specific claim. The patient's total medical bills are relevant but represent only one component of damages and do not account for non-economic damages such as pain and suffering. The insurance limit per occurrence defines maximum exposure but does not guide the realistic reserve estimate unless damages approach policy limits.

Therefore, analysis of comparable local verdicts is most helpful in establishing an appropriate and defensible loss reserve.

**Question 3. (Single Select)**

A patient has been declared brain dead as a result of injuries sustained during a criminal act. His driver's license states that he is an organ donor. The attending physician is planning to remove the life-support equipment. A risk manager should recommend

- A: following the patient's wishes and notify the organ retrieval team.
- B: notifying authorities to determine if an autopsy is required.
- C: coordinating the organ retrieval.
- D: determining the family's wishes regarding organ donation.

**Explanation:**

According to Health Care Risk Management standards established by ASHRM and the American Hospital Association Certification Center, deaths resulting from criminal acts fall under medico-legal jurisdiction and are typically subject to coroner or medical examiner review. Even when a patient is a documented organ donor, as indicated on a driver's license under the Uniform Anatomical Gift Act framework, the circumstances of death may require legal investigation.

When a death is associated with trauma from a criminal act, it is generally considered a reportable death. The medical examiner or coroner has statutory authority to determine whether an autopsy is required and to ensure preservation of forensic evidence. Organ procurement activities must not interfere with legal investigation obligations. Therefore, prior to organ retrieval or withdrawal of life support, the appropriate legal authorities must be notified.

While honoring the patient's documented donation wishes is important, compliance with state statutes governing reportable deaths and forensic investigations takes precedence. The family's wishes do not override a valid donor designation, but coordination must occur within the legal framework.

Thus, the most appropriate action for the risk manager is to ensure that authorities are notified to determine autopsy requirements before proceeding.

**Question 4. (Single Select)**

Which of the following has been proven to reduce costs of workers' compensation programs?

- A: early return-to-work programs
- B: comprehensive departmental safety analyses
- C: employee assistance programs
- D: employee disciplinary actions

**Explanation:**

Within Health Care Risk Management frameworks endorsed by ASHRM and the American Hospital Association Certification Center, early return-to-work programs are recognized as one of the most effective strategies for controlling workers' compensation costs. These programs facilitate the safe and timely return of injured employees to modified or transitional duty consistent with medical restrictions.

Workers' compensation costs are significantly influenced by wage replacement benefits and duration of

disability. By reducing the length of time an employee remains off work, early return-to-work initiatives directly decrease indemnity payments, lower claim severity, and improve overall claim outcomes. Additionally, such programs support employee morale, maintain productivity, and reduce the likelihood of prolonged disability or litigation.

While comprehensive safety analyses contribute to injury prevention and long-term risk reduction, their direct cost impact is preventive rather than immediately measurable in claim severity. Employee assistance programs focus primarily on behavioral health and personal support, not claim cost containment. Disciplinary actions do not constitute a structured risk financing strategy and may negatively affect organizational culture.

Therefore, from a risk financing perspective, early return-to-work programs have demonstrated measurable effectiveness in reducing workers' compensation program costs.

### Question 5. (Single Select)

The set of values, norms, guiding beliefs, and understandings that is shared by members of a healthcare organization and is taught to new members is

- A: organizational culture.
- B: corporate vision.
- C: managerial ethics.
- D: strategic mission.

**Correct Answer: A**

#### **Explanation:**

Within Health Care Risk Management frameworks identified by ASHRM and the American Hospital Association Certification Center, organizational culture refers to the collective values, shared norms, guiding beliefs, and behavioral expectations that shape how members of a healthcare organization function. It influences decision-making, communication patterns, leadership styles, and responses to risk and safety concerns. Culture is transmitted formally through policies and training, and informally through leadership behavior, peer interactions, and organizational traditions.

Organizational culture plays a critical role in patient safety, compliance, and ethical conduct. A strong culture of safety encourages reporting of adverse events, supports transparency, and promotes continuous improvement. Conversely, a punitive or hierarchical culture may suppress reporting and increase liability exposure.

Corporate vision describes the aspirational future state of the organization. A strategic mission outlines the

organization's purpose and objectives. Managerial ethics refers to principles guiding leadership conduct. While these elements contribute to the broader organizational framework, they do not encompass the shared and socially transmitted system of norms and beliefs that define culture. Therefore, the correct term describing shared and taught values and norms within a healthcare organization is organizational culture.

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