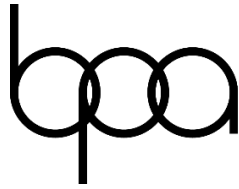


Contestant ID: \_\_\_\_\_

Time: \_\_\_\_\_

Rank: \_\_\_\_\_



**BUSINESS  
PROFESSIONALS  
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Giving Purpose to Potential

# **HEALTH INSURANCE AND MEDICAL BILLING**

## **(605)**

## **REGIONAL 2026**

**CONCEPT KNOWLEDGE:**

Multiple Choice (25 @ 3 points each) \_\_\_\_\_ (75 points)

**APPLICATION KNOWLEDGE:**

Form Audit (25 @ 3 points each) \_\_\_\_\_ (75 points)

**TOTAL POINTS:** \_\_\_\_\_ (150 points)

**Test Time: 60 minutes**

**GENERAL GUIDELINES.**

*Failure to follow any of these rules may result in disqualification:*

1. **Submission Requirements:** Contestants must submit this test booklet along with any printouts.
2. **Permitted Items:** Only the equipment, supplies, and materials specified for this event are allowed in the testing area. Previous BPA tests and sample tests (whether handwritten, photocopied, or typed) are not permitted.
3. **Electronic Devices:** Electronic devices will be monitored according to ACT standards.

### Multiple Choice Questions

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

1. Third-party payers are entities that pay for healthcare services on behalf of the insured.
  - A. True
  - B. False
2. Eligibility verification ensures the patient does not have active insurance for the service.
  - A. True
  - B. False
3. Creating a summary of key health information improves communication across healthcare teams.
  - A. True
  - B. False
4. Patient demographic information includes name, date of birth, and address.
  - A. True
  - B. False
5. Patients are never required to pay a co-pay at the time of service.
  - A. True
  - B. False
6. What is the first step in the medical billing process?
  - A. Patient registration
  - B. Claim submission
  - C. Coding of procedures
  - D. Insurance follow-up
7. What is the purpose of a CMS-1500 form?
  - A. To bill outpatient services
  - B. To record patient history
  - C. To schedule appointments
  - D. To prescribe medication
8. What is the primary purpose of recording charges for services?
  - A. To analyze employee performance
  - B. To track customer satisfaction
  - C. To ensure accurate billing
  - D. To create marketing reports
9. What is the first step in confirming a patient's insurance coverage?
  - A. Contact the patient's employer
  - B. Call the physician
  - C. Verify the patient's identification
  - D. Contact the insurance provider

10. Which term refers to the amount a patient must pay before insurance begins to cover expenses?
  - A. Co-pay
  - B. Premium
  - C. Deductible
  - D. Allowance
11. Why is it important to verify a patient's insurance before treatment?
  - A. To confirm the patient's address
  - B. To ensure the patient has transportation
  - C. To determine financial responsibility and coverage
  - D. To schedule the next appointment
12. Which of the following best describes a HIPAA violation?
  - A. Giving medical advice to a friend
  - B. Discussing patient details in a public area
  - C. Scheduling a patient appointment
  - D. Handing a patient a receipt
13. Which of the following best describes CPT codes?
  - A. Codes for medical procedures and services
  - B. Codes for disease classification
  - C. Codes for pharmaceutical drugs
  - D. Codes for insurance claims
14. Which part of Medicare covers hospital stay?
  - A. Part A
  - B. Part B
  - C. Part C
  - D. Part D
15. A patient owes \$500 and agrees to pay \$100 monthly. How many months to pay off?
  - A. 4 months
  - B. 5 months
  - C. 6 months
  - D. 3 months
16. What does EOB stand for in medical billing?
  - A. Explanation of Benefits
  - B. Evidence of Billing
  - C. Entry of Benefits
  - D. Earnings of Business
17. What does HMO stand for?
  - A. Health Management Office
  - B. Hospital Medical Organization
  - C. Health Maintenance Organization
  - D. Hospital Maintenance Office

18. Medicare is a federal program that provides health coverage for \_\_\_\_\_.  
A. children under 18  
B. people over 65 or with certain disabilities  
C. low-income families  
D. unemployed individuals
19. Which of the following is a covered entity under HIPAA?  
A. A grocery store  
B. A health insurance company  
C. A school  
D. A public library
20. What is coinsurance?  
A. A fixed fee for a service  
B. A percentage of costs shared between the patient and the insurer  
C. The total cost of insurance  
D. A government subsidy
21. ICD codes are used for \_\_\_\_\_.  
A. identifying medications  
B. billing insurance premiums  
C. diagnosing diseases and conditions  
D. scheduling appointments
22. What is the purpose of prior authorization?  
A. To schedule a surgery  
B. To verify patient identity  
C. To cancel an insurance plan  
D. To approve treatment before it is provided
23. Which document is typically used to verify payment from an insurance provider?  
A. Invoice  
B. Medical Record  
C. Explanation of Benefits  
D. Patient Statement
24. What does it mean if a prior authorization is denied due to 'lack of medical necessity'?  
A. The insurance company believes the procedure isn't needed  
B. The procedure is too expensive  
C. The patient requested it personally  
D. The procedure is illegal
25. How does a birthday rule determine primary insurance for dependents?  
A. The parent with the earlier birth date in the calendar year has the primary plan  
B. The oldest parent's plan is primary  
C. The parent who earns more has the primary plan  
D. The youngest parent's plan is primary

**Application Knowledge**

**Instructions:** Use the medical office documentation below to review the CMS-1500 on page 7 for errors and omissions.

Enter the correct data in the table provided on page 8. Include the CMS-1500 field number and what should be in the field. **NOTE:** *You may not need to use every line.*

**Orange Physicians Group**  
2000 Clemson St, Dillard, GA 30537  
**NPI:** 4924130559

**706-633-2471**  
**EIN** 720923562

**Patient Name:** Heather M Jones  
**Address:** 123 Bloom Drive, Dillard, GA 30537  
**Gender:** Female

**Date of Birth:** 12/29/75  
**Account Number:** 918273

**Primary Insurance Provider:** Humana  
**Insurance Provider Address:** 101 E. Main St. Louisville, KY 40202  
**Member ID Number:** 23456789011  
**Primary Group Name:** Reindeer Trotter Farm  
**Relationship to Patient:** Self

**Primary Group Number:** J51467  
**Policy Holder:** Heather M Jones

**Referring Physician:** Stacy Blake, MD, NPI 9568735210

**Date of Service:** 9/25/2025

**Rendering Physician:** Melvina White, MD, NPI 6298805180

**Diagnosis:** Benign skin lesion, left leg, D23.72  
Onset of illness: 9/13/2025

**Services Provided**

Outpatient visit, established patient, low level MDM, 99213..... \$150  
Excision of benign skin lesion on left leg, 1.8 cm 11402.....\$220

Patient was seen at this location.

Patient paid.....\$0



**NOTE:** *You may not need to use every line.*

CMS field number	Required information
6	Select Self
2	HEATHER

Since you can't edit the CMS 1500 directly – this is how you will enter the data directly. Use the above patient registration information to verify what is missing or wrong in the form and fill out the required information in the table according to the example above.

[illegible]