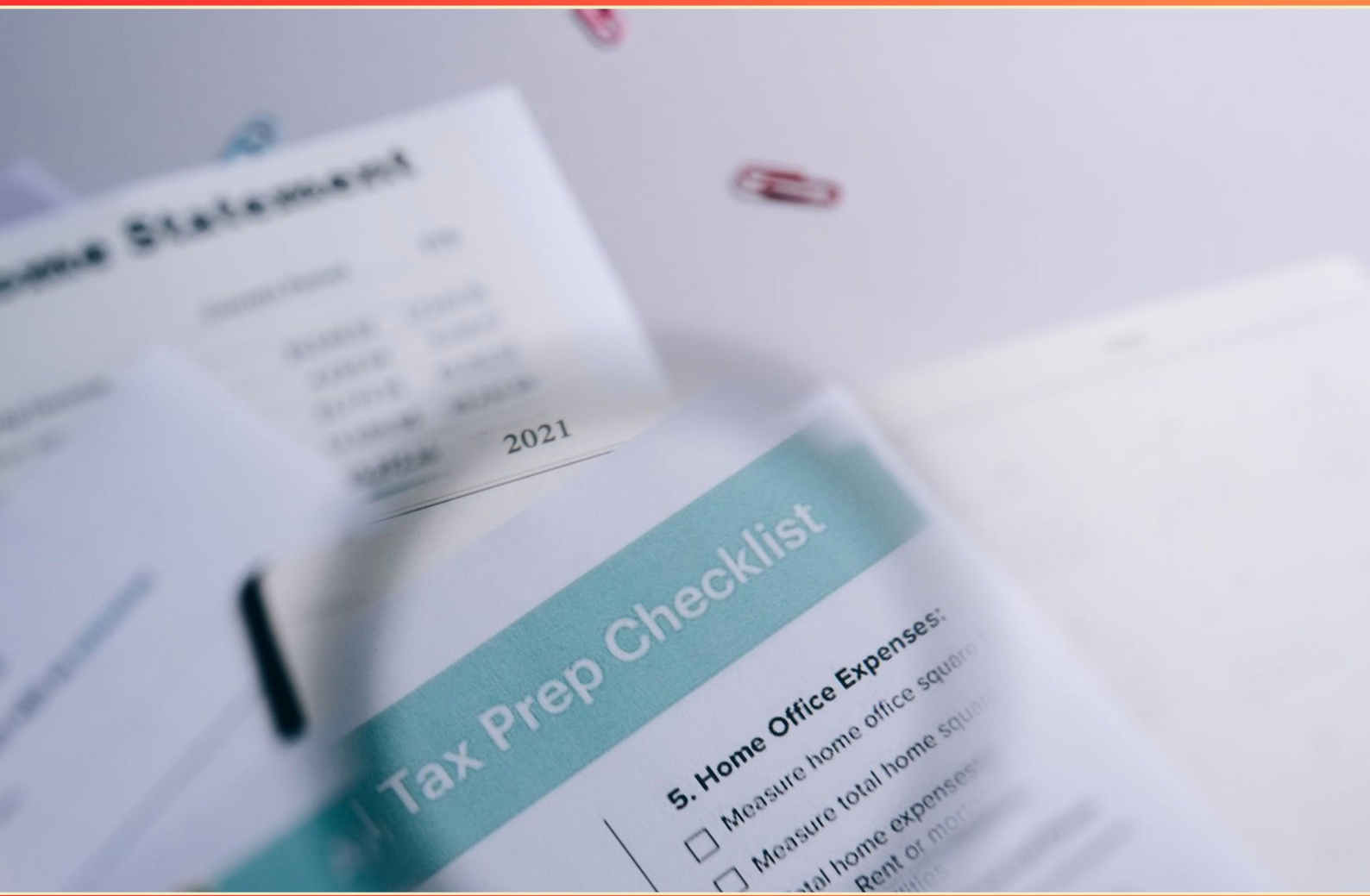
FRAUD, WASTE, AND ABUSE (FWA) 2 PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://fraudwasteabuse2.examzify.com

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. If a health plan violates ACA Section 1557 nondiscrimination protections, which of the following is a possible outcome?

A. It may be required to take corrective action and sometimes pay damages and may be sued by individuals

B. It will automatically lose all licenses

C. It will receive penalties from tax authorities

D. It will be exempt from future enforcement

2. Once a corrective action plan begins addressing non-compliance, ongoing monitoring is not necessary.

A. True

B. False

C. Not applicable

D. Depends

3. Abuse is defined as what kind of payer billing?

A. Fraud

B. Payment for items or services that the provider is not entitled to, without intentional misrepresentation

C. Waste

D. Negligence

4. When a provider's claim submissions appear unusually high relative to peers, what is the proper course of action?

A. Increase payments to resolve the discrepancy

B. Ignore the discrepancy

C. Notify the patient

D. Consult with immediate supervisor for next steps or contact the compliance department (via compliance hotline or SIU)

5. Under ACA Section 1557, sex discrimination includes a person's

A. Race.

B. Sex, pregnancy, sex stereotypes, or gender identity.

C. National origin.

D. Age.

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6. Which statement best defines Abuse?

A. Intentional deception or misrepresentation to gain a benefit to which they are not entitled.

B. Payment for items or services that the provider is not entitled to and for which the provider has not intentionally misrepresented facts to obtain payment.

C. Incurring unnecessary costs as a result of deficient management practices, systems, or controls.

D. Providing free services to patients as pro-bono service.

7. Which statement defines Waste?

A. Intentional deception or misrepresentation

B. Overuse or misuse of resources that directly or indirectly result in unnecessary costs

C. Billing for services not medically necessary

D. Incurring unnecessary costs due to deficient management practices

8. Under ACA Section 1557, a person cannot be discriminated against based on what?

A. Legal or illegal immigration status or ability to speak English.

B. Age.

C. Income level.

D. Religion.

9. If you suspect fraud and the facility's compliance officer does not respond adequately, which step is appropriate?

A. Report to the Office of the Inspector General, Centers for Medicare and Medicaid Services, or the private payer

B. Do nothing and wait for a response

C. Publicly disclose the allegations

D. File a civil lawsuit against the facility

10. Can fraudulent activity be unintentional?

A. No, fraud must be intentional.

B. Only intentional misbilling qualifies as fraud.

C. Yes; it can also result from a lack of knowledge of proper billing or system-based verification procedures.

D. Fraud cannot be unintentional.

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Answers

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

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Explanations

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1. If a health plan violates ACA Section 1557 nondiscrimination protections, which of the following is a possible outcome?

A. It may be required to take corrective action and sometimes pay damages and may be sued by individuals

B. It will automatically lose all licenses

C. It will receive penalties from tax authorities

D. It will be exempt from future enforcement

Violations of Section 1557 nondiscrimination protections are handled by enforcement that focuses on stopping the discriminatory practices and making those harmed whole. When a health plan violates these protections, authorities can require corrective action—such as revising policies, training staff, improving accessibility and language services, and strengthening complaint processes—to fix the problem. At the same time, individuals who were harmed may seek damages and may pursue private lawsuits to obtain relief. This combination—remediation of the discrimination plus potential damages and private suits—reflects how these civil rights protections are enforced. Automatic loss of licenses, penalties from tax authorities, or automatic exemption from enforcement do not align with how 1557 enforcement works.

2. Once a corrective action plan begins addressing non-compliance, ongoing monitoring is not necessary.

A. True

B. False

C. Not applicable

D. Depends

Ongoing monitoring remains essential after corrective actions begin. Implementing a corrective action plan starts the fix, but it doesn't guarantee lasting compliance on its own. Continuous monitoring checks that the actions are actually effective, that controls function as intended, and that the improvements are sustained over time. It also helps spot any new or evolving non-compliance, allows for timely adjustments if results aren't meeting expectations, and provides evidence for auditors and stakeholders that risks are being managed. Without ongoing monitoring, a return to non-compliance or a drift in process controls is more likely, even after initial fixes are put in place.

3. Abuse is defined as what kind of payer billing?

A. Fraud

B. Payment for items or services that the provider is not entitled to, without intentional misrepresentation

C. Waste

D. Negligence

Abuse in payer billing refers to improper billing practices that lead to payments that shouldn't be made, without the provider's intent to deceive. This option fits best because it describes billing for items or services the provider is not entitled to receive, without any deliberate misrepresentation. Fraud, by contrast, requires intentional deception to obtain payment; waste involves unnecessary or inefficient use of resources; negligence is a failure to exercise reasonable care.

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4. When a provider's claim submissions appear unusually high relative to peers, what is the proper course of action?

A. Increase payments to resolve the discrepancy

B. Ignore the discrepancy

C. Notify the patient

D. Consult with immediate supervisor for next steps or contact the compliance department (via compliance hotline or SIU)

Noticing a provider's claim submissions that are unusually high compared with peers signals a potential fraud, waste, or abuse issue that needs formal review. The proper course is to escalate through the right channels—talk with the provider's immediate supervisor and/or contact the compliance department via the established reporting mechanism, such as a compliance hotline or the Special Investigations Unit (SIU). This approach brings in trained investigators to assess the pattern, preserve evidence, and determine if an audit or deeper analysis is warranted, all while protecting confidentiality and maintaining program integrity. Taking independent or last-minute actions, like increasing payments, ignoring the discrepancy, or warning the patient, would either enable potential misuse or fail to address the risk appropriately.

5. Under ACA Section 1557, sex discrimination includes a person's

A. Race.

B. Sex, pregnancy, sex stereotypes, or gender identity.

C. National origin.

D. Age.

Under ACA Section 1557, discrimination in health programs and activities is prohibited on the basis of sex, and this protection is interpreted broadly to include pregnancy, sex stereotypes, and gender identity. This means treating someone unfairly because they are pregnant, because they don't conform to traditional gender roles, or because their gender identity differs from the sex assigned at birth counts as sex discrimination. Race, national origin, and age are protected characteristics as well, but they are separate categories, not part of sex discrimination. This broader scope ensures that individuals facing pregnancy-related discrimination, gender identity issues, or gender-role stereotypes have protection in health care settings.

6. Which statement best defines Abuse?

A. Intentional deception or misrepresentation to gain a benefit to which they are not entitled.

B. Payment for items or services that the provider is not entitled to and for which the provider has not intentionally misrepresented facts to obtain payment.

C. Incurring unnecessary costs as a result of deficient management practices, systems, or controls.

D. Providing free services to patients as pro-bono service.

Abuse is improper or excessive billing that leads to payments for items or services a provider isn't entitled to, usually without the intent to deceive. In this scenario, payments are made for services the provider isn't entitled to, and there was no intentional misrepresentation to obtain payment, which fits abuse. By contrast, intentional deception to obtain payment is fraud; unnecessary costs arising from poor management are waste; providing pro-bono services is legitimate and not considered abuse.

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7. Which statement defines Waste?

A. Intentional deception or misrepresentation

B. Overuse or misuse of resources that directly or indirectly result in unnecessary costs

C. Billing for services not medically necessary

D. Incurring unnecessary costs due to deficient management practices

Waste means incurring unnecessary costs because of inefficient management and processes—problems rooted in how programs are run rather than in deliberate wrongdoing. It focuses on systemic inefficiencies that let resources be used poorly, duplicated, or misallocated, driving up expenses without any intent to cheat. That's why the best statement is the one that ties unnecessary costs directly to deficient management practices. It captures waste as a failure of operations and oversight, not as deception (fraud) or inappropriate billing (which would fall under fraud or abuse) and not merely the act of overusing resources without pointing to the organizational root cause.

8. Under ACA Section 1557, a person cannot be discriminated against based on what?

A. Legal or illegal immigration status or ability to speak English.

B. Age.

C. Income level.

D. Religion.

Under Section 1557, protections center on national origin, which includes immigration status and language ability. This means health programs and activities that receive federal funds cannot discriminate against someone because of their immigration status (whether they are citizens, documented, or undocumented) or because of their ability to speak English. In practice, you can't be denied services or forced to provide proof of citizenship as a condition of care, and you must have access to language assistance if you need it. Options like religion or income aren't the bases targeted by this provision, and while age is explicitly protected by the statute, the scenario highlighted focuses on national origin protections related to immigration status and language proficiency. That's why this choice best captures what cannot be used to discriminate under ACA Section 1557.

9. If you suspect fraud and the facility's compliance officer does not respond adequately, which step is appropriate?

A. Report to the Office of the Inspector General, Centers for Medicare and Medicaid Services, or the private payer

B. Do nothing and wait for a response

C. Publicly disclose the allegations

D. File a civil lawsuit against the facility

When you suspect fraud and the facility's compliance officer does not respond adequately, you escalate to authorities with real investigative power. Reporting to the Office of the Inspector General, the Centers for Medicare and Medicaid Services, or the private payer ensures that trained investigators can verify the concerns, pursue enforcement, and recover improper payments if needed. These external channels are the appropriate, formal avenues when internal remedies stall and involve programs funded by government or private payers, offering documented processes and protections for whistleblowers. Waiting, publicly disclosing allegations, or filing a civil lawsuit directly without first engaging these authorities can undermine investigations, breach privacy, and jump into legal action without the proper groundwork.

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10. Can fraudulent activity be unintentional?

A. No, fraud must be intentional.

B. Only intentional misbilling qualifies as fraud.

C. Yes; it can also result from a lack of knowledge of proper billing or system-based verification procedures.

D. Fraud cannot be unintentional.

The main idea is that fraud can happen even when there isn't a deliberate intent to deceive. If someone submits billing that's incorrect because they don't know the proper rules, or if the billing system lacks solid verification procedures, improper charges can slip through. These situations create fraudulent activity in practice because the billing is inaccurate or misrepresented, and the organization is accountable for preventing and catching such errors. Training often emphasizes that both human knowledge gaps and weak controls can lead to fraud-like outcomes, not just intentional deception. So, when someone lacks the necessary billing knowledge or when verification procedures fail to flag improper charges, unintentional actions can still result in fraudulent activity. The other statements are too restrictive, assuming fraud must be intentional or that unintentional cases can't occur.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://fraudwasteabuse2.examzify.com

We wish you the very best on your exam journey. You've got this!

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