1. What economic forces in the health sector prompted the growth of HMOs?

2. Compare the financial incentives for the provider in the capitation or prepaid sector to those in the fee-for-service sector.

3. What financial and marketing advantages did the Federal HMO Act of 1973 provide to newly-forming HMOs?

4. Describe three key characteristics of staff or group compared to IPA model HMOs. Evaluate the strengths and weaknesses of the staff/group practice vs. the IPA model from one of the following perspectives:
   * consumer appeal
   * financial management
   * medical management

5. What is meant by adverse selection?

6. In HMO-hospital contract negotiations, what are three methods of reimbursement that are likely to be considered by the HMO and the hospital. Evaluate pros & cons of one such approach.

7. Present three reasons for an HMO to engage in a rigorous quality improvement program. Who benefits, and in what ways?

8. To be successful, an HMO must operate as an efficient and skilled insurer. Describe four kinds of insurance functions that an HMO must perform.

9. What considerations do insurers use in determining experience rating for a company? What factors should employers consider in evaluating their rating?

10. Which services are most typically included in a benefit design? Name a health insurance cost component that is rising rapidly and describe how health plans have attempted to curb this escalating cost.