



ATHENA FINANCIAL
& INSURANCE ASSOCIATES



Life & Health Pre-Licensing **PREP REVIEW**

*based on XCEL's study materials to support
licensing exam preparation.*

INSURANCE FOR SENIOR CITIZENS AND SPECIAL NEEDS INDIVIDUALS

1. Medicare Part B covers

Correct Answer: *One of the expenses paid for by Medicare Part B is physician expenses.*

2. The open enrollment period for Medicare Part B is

Correct Answer: *The open enrollment period for Medicare Part B is January 1 through March 31.*

3. Which of the following is NOT taken into consideration when determining eligibility for Medicare benefits?

Correct Answer: *"Income". All of the following are eligibility considerations for Medicare benefits EXCEPT "income".*

4. Which of these is NOT a qualifying event for Medicare?

Correct Answer: *All of these are qualifying events for Medicare EXCEPT being poverty stricken.*

5. A 70-year old insured individual has suffered from kidney failure for the past 24 months. She is covered by her spouse's large-group employer plan. How will Medicare be utilized in this situation?

Correct Answer: *"Will be the secondary insurer and pay for claims not fully covered by the group plan". If you are eligible for Medicare because of kidney failure and are also covered by a group health plan, your group plan will pay first on your hospital and medical bills for 30 months. During this time, Medicare pays second.*

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6. A doctor who accepts Medicare Assignment agrees to which of the following?

Correct Answer: "Doctor cannot charge more than Medicare's scheduled coverage". A doctor who accepts Medicare Assignment is agreeing to charge no more than the amount Medicare pays for the service performed. Medicare pays 80% of this amount and the beneficiary pays 20% after the annual Part B deductible is met. The doctor bills Medicare directly assigning Medicare to pay the doctor for the services rendered.

7. A medical provider that accepts Medicare Assignment must

Correct Answer: "accept payment based upon a defined Medicare schedule as payment in full". A medical provider that accepts Medicare Assignment must accept payment based upon a defined Medicare schedule as payment in full.

8. How does one become eligible for Part D: Prescription Drug coverage?

Correct Answer: "Must have Medicare coverage". Eligibility for Part D: Prescription Drug Coverage depends on having Medicare coverage.

9. How much does Medicare Part B pay for physician fees?

Correct Answer: "80%". Medicare Part B pays 80% of most doctor's services, outpatient treatments, and durable medical equipment (like oxygen or wheelchairs).

10. Medicaid is intended for

Correct Answer: Medicaid is a government-funded program intended to provide health care for poverty stricken people.

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11. Medicare Part A does not pay for medical benefits provided for treatment in a skilled nursing facility beyond

Correct Answer: "100 days". Medicare Part A (Hospital Insurance) will cover a maximum of 100 days per benefit period in a skilled nursing facility.

12. Which type of plan would be most appropriate for an individual on Medicare and is concerned that Medicare will NOT pay for charges exceeding the approved amount?

Correct Answer: "Medicare supplement Plan F". Medicare Supplement Plans F and G are the only Medicare Supplement insurance plans that cover costs known as Medicare Part B excess charges. An excess charge is the difference between what a doctor or provider charges and the amount Medicare will pay

13. All of the following are core benefits of Medicare Supplement Plan A EXCEPT

Correct Answer: "Deductible payments for the first 60 days of hospitalization under Medicare hospitalization insurance". Medicare Supplement Plan A does NOT cover the Medicare Part A deductible. However, the remaining Medicare Supplement plans cover 50-100% of this cost.

14. In a Long-Term Care policy, activities of daily living (ADL's) can be each of the following EXCEPT

Correct Answer: "Talking". Talking is not considered an activity of daily living (ADL) for Long-Term Care insurance purposes.

15. Long-Term Care policies may provide coverage for claims arising from

Correct Answer: Senile dementia and organic mental disorders are typically covered claims for Long-Term Care policies.

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16. Generally speaking, which three levels of care are Long-Term Care policies provided with?

Correct Answer: "Skilled nursing, intermediate, and custodial care".
Three levels of care provided by Long-Term Care policies are skilled nursing, intermediate, and custodial care.

17. The IRS states that a taxpayer's medical expenses that exceed 7.5% of their adjusted gross income is tax deductible. Which of the following may be considered a medical expense under this rule?

Correct Answer: Tax-qualified long-term care premiums are considered a deductible medical expense if the taxpayer's medical expenses exceed 7.5% of their adjusted gross income.

18. The purpose of Medicare Supplement Insurance is to address gaps in Medicare coverage, which can include

Correct Answer: "Medicare in-hospital deductible". The purpose of Medicare Supplement Insurance is to address gaps in Medicare coverage, such as Medicare in-hospital deductibles.

19. The typical long-term care insurance policy is designed to provide a minimum of __ year(s) of coverage.

Correct Answer: "1". Long-term care insurance in any insurance policy is designed to provide coverage for a minimum benefit period of 1 year.

20. Which of these gaps in Medicare coverage is addressed with Medicare Supplemental Insurance?

Correct Answer: "Medicare in-hospital deductible". The purpose of Medicare Supplement Insurance is to address gaps in Medicare coverage, such as Medicare in-hospital deductibles.

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21. Which of the following is NOT a type of Medicare Advantage Plan?

Correct Answer: "Social Security Disability Income (SSDI)". All of these are types of Medicare Advantage Plans EXCEPT Social Security Disability Income (SSDI).

22. Benefits provided by a Medicare Supplement policy must NOT

Correct Answer: "duplicate Medicare benefits". A Medicare Supplement policy must NOT contain benefits which duplicate Medicare benefits.

23. The open enrollment period for Medicare Supplements begins at age

Correct Answer: "65". Correct. Open enrollment for Medicare Supplements begins at the age the individual becomes eligible for Medicare, which is typically age 65.

24. Tom has a home health care benefit and is confined to his home. Which of these benefits is NOT typically covered?

Correct Answer: "Full-time nursing care". Home health care is care provided in the insured's home, usually on a part-time basis.

25. Which of the following nursing home options would BEST suit an individual who needs some nursing care and supervision but NOT full-time care?

Correct Answer: "Assisted living facilities". An assisted living facility would best suit an individual who needs some nursing care and supervision but not full-time care.

26. A long-term care policy typically provides all of the following levels of care EXCEPT

Correct Answer: Acute care is not covered under long-term care policies.

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27. Continuous 24-hour care provided by licensed medical professionals under the direct supervision of a physician is called

Correct Answer: *Skilled nursing care is the type of care that is continuous 24-hour care provided by licensed medical professionals under the direct supervision of a physician.*

28. Joe is a Medicare participant who receives his benefits through a Managed Health Care Plan. Which Medicare plan does he have?

Correct Answer: *"Part C". Medicare Part C (or "Medicare Advantage") is a Managed Health Care Plan that serves as a substitute for Parts A and B Medicare benefits.*

29. Premiums paid that exceed 7 1/2% of an insured's Adjusted Gross Income (AGI) are tax-deductible when paid for which of the following plans?

Correct Answer: *"Qualified Long-Term Care plan". Premiums paid that exceed 7 1/2% of an insured's Adjusted Gross Income (AGI) are tax-deductible when paid for a Qualified Long-Term Care plan.*

30. Someone needing custodial care at home would require which type of coverage?

Correct Answer: *"Long-term care". Long-term care coverage would be most appropriate for an individual who needs custodial care at home.*

31. The difference between a Long Term Care Partnership Plan and a Non-Partnership Plan is which of the following?

Correct Answer: *"Asset Protection". Assets are protected from Medicaid Recovery under a Long-Term Care Partnership plan. Non-partnership plans do not protect assets from Medicaid Recovery.*

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32. Which of the following does Medicare Part D cover?

Correct Answer: "Prescription drugs". Medicare Part D covers prescription drugs.

33. Which of the following statements is TRUE about Medicaid?

Correct Answer: "It is funded by federal, state, and local taxes". Medicaid is funded by federal, state, and local taxes, but is administered by each state.

34. Which type of long-term care benefit would be most appropriate for a stroke victim who requires speech therapy administered at her home?

Correct Answer: In this situation, home health care would be most appropriate.

35. A Medicare Supplement basic benefit is

Correct Answer: "the first 3 pints of blood per year". The first 3 pints of blood each year is a basic benefit of Medicare Supplemental insurance.



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