LONG-TERM CARE COUNSELOR CERTIFICATION EXAMINATION

1. People need long-term care (LTC) when they are unable to perform their Activities of Daily Living (ADLs) without the help of another person. Which of the following correctly lists the ADLs?

   a. Bathing, dressing, toileting, taking medication, eating and transferring
   b. Bathing, dressing, toileting, transferring, continence and eating
   c. Bathing, dressing, toileting, ambulating, taking medication and eating
   d. Bathing, dressing, toileting, continence, eating and taking medication

2. There are different types of LTC. Which of the following terms correctly describes the type of care you receive when you need help with bathing, dressing or other Activities of Daily Living (ADLs)?

   a. Personal care
   b. Skilled care
   c. Supervisory care
   d. Intermediate care

3. When people need LTC, which type of care are they <u>least</u> likely to need?

   a. Skilled care
   b. Personal care
   c. Supervisory care
   d. Intermediate care

4. Which term refers to care that is provided by family or friends?

   a. Formal care
   b. Custodial care
   c. Supervisory care
   d. Informal care

5. Which of the following terms does <u>not</u> refer to a type of residential care setting for LTC?

   a. Continuing Care Retirement Community
   b. Adult Day Care Facility
   c. Assisted Living Facility
   d. Board and Care Home

6. What is the probability that someone age 65 or older might need some type of LTC at some point in his or her lifetime?

   a. 13%
   b. 25%
   c. 45%
   d. 60%

7. Nursing home costs vary from one state to another. What is the average annual cost of nursing home care in the United States today?

   a. $36,000
   b. $56,000
   c. $66,000
   d. $76,000

8. Some people who need nursing home care are not there for long, while others may have a very lengthy stay. How long is the average stay in a nursing home?

   a. 180 days
   b. 1.5 years
   c. 2.5 years
   d. 3.0 years

9. On an <u>aggregate basis</u>, which of the following sources pays the largest portion of LTC costs?

   a. Medicare
   b. Private health insurance
   c. Medicaid
   d. Out-of-pocket from a person's income and assets

10. On an <u>individual basis</u>, which of the following sources pays the largest portion of LTC costs?

   a. Medicare
   b. Private health insurance
   c. Medicaid
   d. Out-of-pocket from a person's income and assets

11. Overall, in Texas, which of the following sources pays most long-term care expenses?

    a. Medicare
    b. Medicaid
    c. Long-term care insurance
    d. Out-of-pocket from a person's income and assets?

12. What elements are included when we think about "planning ahead" for long-term care (LTC) needs?

    a. Financial considerations
    b. Lifestyle factors
    c. Care Choices
    d. Housing preferences
    e. Only items a, b, and c
    f. All of the above

13. What two factors are most critical to motivate people to plan ahead?

    a. Education and income
    b. Good health and being married
    c. Awareness of risks and costs and understanding the value of planning
    d. Knowing a good financial planner and being healthy

14. What are the advantages of planning ahead for LTC needs?

    a. If you plan ahead, you have more choice and control over where you can receive care
    b. If you plan ahead, you won't end up needing care
    c. If you plan ahead, you can transfer assets to protect them and let Medicaid pay for your care
    d. If you plan ahead, you can recover more quickly if you do need care

15. Which of the following is <u>not</u> a reason why people often do not plan ahead for LTC needs?

    a. Denial
    b. Lack of awareness of LTC risks and costs
    c. They do not mind having their family take care of them
    d. Uncertainty about how to plan

16. In general, which type of person is most likely to “plan ahead” for LTC needs? (Assume that they are all age 65.)

    a. Married person, does not have an IRA, no family experience with LTC
    b. Single person, does not have an IRA, no family experience with LTC
    c. Married person, has an IRA, family experience with LTC
    d. Single person, does not have an IRA, family experience with LTC

17. What is the most important thing you can do as a counselor to motivate LTC planning?

    a. Tell people what they are doing wrong and what they are doing right
    b. Provide all the correct data and statistics about LTC
    c. Tell them what planning activities you have engaged in and why those are the best way to start
    d. Make people aware of the advantages of planning and reward them for wanting to take the initiative to plan

18. According to DADS, providing support for family members can cost an employee how much money in lost income, pensions, wages, and Social Security throughout their career?

    a. $350,000
    b. $600,000
    c. $660,000
    d. $1,000,000

19. According to the United States Census, what percentage of the Texas population is age 60 and older?

    a. 13 percent
    b. 16 percent
    c. 20 percent
    d. 25 percent

20. Baby boomers, those born between 1946 and 1964, may pose a significant challenge to the long-term care system. These baby boomers comprise what percentage of the Texas population?

    a. 16 percent
    b. 20 percent
    c. 25 percent
    d. 28 percent

There are five general types of audiences that you may encounter.

21. Which phrase best describes the type of audience that would need to know the basics of LTC and be motivated to begin planning and discussing LTC issues with their family?

    a. Passive planners
    b. First Inquiry planners
    c. Knowledge-seeking planners
    d. Decision-makers
    e. Post-purchase consumers

22. Which phrase best describes someone who is trying to make sense of information they have, verifying accuracy of the information, and exploring how to be “good shoppers” for LTC insurance?

    a. Passive planners
    b. First Inquiry planners
    c. Knowledge-seeking planners
    d. Decision-makers
    e. Post-purchase consumers

23. Which phrase best describes a consumer who is identifying local services and resources appropriate to their needs?

    a. Passive planners
    b. First Inquiry planners
    c. Knowledge-seeking planners
    d. Decision-makers
    e. Post-purchase consumers

24. Which phrase best describes a consumer who has heard about various options but is seeking more information on those options?

    a. Passive planners
    b. First Inquiry planners
    c. Knowledge-seeking planners
    d. Decision-makers
    e. Post-purchase consumers

25. Which phrase best describes a consumer who is confused about what services are covered under their LTC insurance policy and whether a specific assisted living facility will be covered?

    a. Passive planners
    b. First Inquiry planners
    c. Knowledge-seeking planners
    d. Decision-makers
    e. Post-purchase consumers

26. What type of barrier comes into play when someone is not engaging in planning because they are confident that their family will take care of them?

    a. Knowledge barriers
    b. Structural barriers
    c. Perception barriers
    d. Social and cultural barriers

27. What type of barrier comes into play when someone believes that Medicare and their Medicare supplemental policy will pay for an individual's LTC needs if they are in a nursing home for an extended period of time?

    a. Knowledge barriers
    b. Structural barriers
    c. Perception barriers
    d. Social and cultural barriers

28. What type of barrier comes into play when someone is overwhelmed by the complexity of choices and options for private financing for LTC needs?

    a. Knowledge barriers
    b. Structural barriers
    c. Perception barriers
    d. Social and cultural barriers

29. What type of barriers comes into play when someone feels they are likely to live a long and healthy life and never need LTC, based on the longevity and health of their parents and friends?

    a. Knowledge barriers
    b. Structural barriers
    c. Perception barriers
    d. Social and cultural barriers

30. You are a long-term care counselor who counseled a senior about long-term care insurance and reverse mortgages. Your client is close to her children, and concerned about her finances and her health. Her present health would likely prevent her from obtaining long-term care insurance, and she does not want to be a burden to her children. Who can you tell about her concerns of her failing health and her finances?

    a. Her spouse
    b. Her adult children
    c. Her caregiver
    d. Adult Protective Services
    e. None of the above

31. What should you do if a consumer has additional questions about a specific product for financing LTC needs (e.g., reverse mortgage) and you have already provided counseling and support for their basic understanding of issues with that option?

    a. Take your best guess at the answers
    b. Tell them you have no clue and personally you have some reservations about that approach anyway
    c. Suggest that they could probably find information on the Internet and that they can do a Yahoo search on the term "reverse mortgages"
    d. Refer the consumer to the specific entity that has been identified to you as a trusted resource for additional information on reverse mortgages

32. What law must you consider when disclosing health-related information about a client? Circle all that apply.

    a. Privacy Act
    b. OBRA
    c. HIPAA
    d. Medicare Modernization Act

33. What is a LTC Planner?

    a. A professional who specializes in selling long-term care insurance policies
    b. An interactive decision-support tool on the Medicare web site
    c. A financial planner who assesses a client's long-term care needs
    d. Another name for a HICAP certified Long-Term Care Counselor

34. Please choose the phrase that correctly describes the federal health insurance program for people over age 65.

    a. Medicaid
    b. Medicare
    c. Medigap policies or Medicare supplemental insurance
    d. Medicare Advantage

35. What phrase correctly describes health insurance policies sold by private companies to help pay some of the co-payments and deductibles of Medicare?

    a. Medicaid
    b. Medicare
    c. Medigap policies or Medicare supplemental insurance
    d. Medicare Advantage

36. What phrase correctly describes the jointly funded federal and state government program that provides health coverage for certain categories of low-income individuals with few financial resources?

    a. Medicaid
    b. Medicare
    c. Medigap policies or Medicare supplemental insurance
    d. Medicare Advantage

37. Medicare only pays for LTC under limited circumstances. Which of the following correctly describe the conditions imposed by Medicare before it will pay for nursing home care?

    a. Your nursing home stay must begin within 30 days of a hospital stay of at least 3 days for the same condition
    b. You must be a Medicare-certified nursing facility
    c. A physician must certify that you need skilled nursing or rehabilitative services on a daily basis
    d. All of the above
    e. Only items a and b are true

38. Which of the following type of care does Medicare pay for, if you meet all the other requirements for Medicare payment of LTC?

    a. Personal care
    b. Supervisory care
    c. Skilled care
    d. All of the above

39. If your nursing home stay is approved for Medicare coverage by meeting the conditions above, how much will Medicare pay?

    a. Nothing for the first 20 days; any of your expenses beyond your required $114 co-pay for the next 80 days; and 100% for the last 20 days
    b. 100% for the first 20 days; any of your expenses beyond the $114/day co-pay for the next 80 days and nothing beyond 100 days
    c. You pay a $114 co-pay for the first 20 days and then Medicare pays 100% for the remaining 80 days
    d. You pay a $114 co-pay for the first 80 days and then Medicare pays 100% for any remaining days

40. Medicare pays for home health care only if specific conditions are met. Which item below correctly describes these conditions?

    a. You require personal or custodial care at home and are homebound
    b. You require skilled care at home, are homebound, and receive care from a Medicare-certified home health agency
    c. You require any type of home care that your physician says is appropriate
    d. You require home care following a hospital stay for the same condition

41. Which of the following statements about Medicare supplemental policies is true?

    a. Medicare supplemental policies pay for care in a nursing home beyond the 100 day limit that Medicare imposes
    b. Medicare supplemental policies pay for care in more expensive facilities, or in nursing homes not Medicare-certified
    c. Medicare supplemental policies pay the co-payments and deductibles Medicare imposes
    d. Medicare supplemental policies pay for the types of care that Medicare won't cover (e.g., personal care)

42. Medicaid eligibility rules vary by state. In Texas, what is the income limit and asset amounts for a single individual applying for institutional care?

    a. Income of $748/month and assets of $2,000 or less
    b. Income of $1,500/month and assets of $8,000 or less
    c. Income of $1,692/month and assets of $2,000 or less
    d. Income of $1,500/month and assets of $80,000 or less
    e. Income of $748/month and assets of $80,000 or less

43. Which of the following is <u>not</u> a countable resource for Texas Long-Term Care Medicaid purposes? Circle all that apply.

    a. Whole-life life insurance with a cash value of $1,500
    b. A home valued at more than $500,000
    c. Certificates of Deposit (CDs)
    d. IRAs
    e. None of the above
    f. All of the above

44. How many days must an applicant for Nursing Home Medicaid reside in a Medicaid-contracted institution before being certified for Medicaid?

    a. 0 days
    b. 30 days
    c. 60 days
    d. 90 days
    e. 180 days

45. Which of the following are considered “non-countable assets” for the purposes of determining Medicaid eligibility?

    a. Cash, CDs and bank accounts
    b. Stocks and bonds
    c. Life insurance
    d. Home and automobile

46. What does the phrase “Spousal Impoverishment” refer to?

    a. If you are married at the time you apply for Medicaid assistance, your spouse can retain more income and assets than would apply if you were single
    b. If you are married at the time you apply for Medicaid assistance, your spouse must also become impoverished
    c. The income and assets in your spouse’s name are not considered in evaluating your eligibility for Medicaid
    d. None of the above

47. Why shouldn’t someone “transfer assets” in order to become eligible for Medicaid?

    a. You would lose control of those assets if you transfer ownership to other family members
    b. You would face a “penalty” that delays your Medicaid eligibility based on the value of assets you transferred
    c. There is 36-month “look back” period for transfers in general and 60 month “look back” if you transfer assets to a trust
    d. All of the above

48. Which of the following statements are true about LTC benefits through the Veteran’s Administration (VA)?

    a. Benefits for LTC are available to veterans’ and their families
    b. The emphasis of VA LTC coverage is for service-related disabilities and care in a nursing home
    c. There are long waiting-lists for care in VA LTC facilities
    d. Only items a and b
    e. Only items a and c
    f. Only items b and c

49. There are many reasons why someone should not buy LTC insurance. Which one of the following items does not belong on this list?

a. It is difficult to know which products are the best and you could make a wrong decision if you buy
b. You do not have sufficient income to pay premiums for insurance
c. You do not have sufficient assets to protect with insurance
d. Your health condition will not qualify you for insurance

50. Which of the following best describes how financial considerations should be taken into account in deciding whether to buy LTC insurance?

a. There are no "hard and fast" rules and each person should consider their own individual financial circumstances as well as other factors that are important (e.g., preferred care options, availability of family supports, etc.)
b. No one should buy LTC insurance if they have less than $50,000 or more than $1 million in assets
c. No one should buy LTC insurance if they have less than $200,000 or more than $1 million in assets
d. You should never buy a policy if the one you are considering costs more than 7% of your income

51. Which of the following statements about the "affordability" of LTC insurance is true?

a. You should never buy a policy if it costs more than 7% of your income
b. Affordability is in the eye of the beholder and means different things to different people
c. LTC insurance is not affordable for most seniors
d. You only need to consider the initial cost since premiums for LTC insurance cannot increase for any reason

52. Most LTC insurance today is sold in which segment of the market?

a. Employer-group
b. Offered by a continuing care retirement community
c. Through the mail (direct response)
d. Individual coverage (purchased directly from an insurance agent)

There are three (3) different payment models under which LTC insurance pays benefits.

53. Which type best describes a policy that pays your actual expenses when you received covered services, up to a daily benefit amount that you purchased?

    a. Indemnity approach
    b. Reimbursement approach
    c. Disability approach

54. Which type best describes a policy that pays a set amount based on the amount you purchased when you received covered services? If the benefit amount exceeds the costs of your care, you can keep the difference.

    a. Indemnity approach
    b. Reimbursement approach
    c. Disability approach

55. Which type best describes a policy that pays a set amount for each day you are disabled, based on the daily benefit amount you purchased, even if you have not received covered services? If the benefit amount exceeds the costs of your care, or if you do not receive paid care that day, you still receive the full benefit payment.

    a. Indemnity approach
    b. Reimbursement approach
    c. Disability approach

56. Which of the following is <u>not</u> an advantage of the disability payment approach?

    a. You can purchase services and pay for care not defined in the policy contract
    b. This type of coverage costs less than other approaches
    c. This type of policy is more flexible to adapt to changing LTC service delivery types in the future
    d. All of the above

57. Which of the following statements is <u>not</u> true about the tax advantages of LTC insurance?

    a. Premium expenses for LTC insurance are deductible if you itemize deductions and all your health and medical expenses (including the LTC insurance) exceed 7.5% of adjusted gross income
    b. Benefits can be received tax-free
    c. There are limits on the premium deduction amounts allowed, based on your age.
    d. All LTC policies qualify for these federal tax deductions

58. A nursing home operating in Texas shall be defined as?

a. One that has group meals as well as kitchens in individual living units
b. One that accepts only fully independent individuals
c. One that has 24-hour staffing available and provides care and services to support people who are unable to perform Activities of Daily Living (ADLs) or has a cognitive impairment
d. One that has a license as a nursing home

59. What phrase best describes care that is designed to give "time-off" and support to family caregivers who are normally providing LTC?

a. Hospice care
b. Respite care
c. Supportive care
d. Home health care

60. Which of the following services are covered under a Home Health Care policy?

a. Home health aide
b. Nursing home care
c. Adult day care
d. Both a and c

61. What phrase best describes care for individuals who are both terminally ill and who need long-term care to assist them with activities of daily living?

a. Hospice care
b. Respite care
c. Supportive care
d. Home health care

62. Which of the following most accurately describes how LTC insurance policies pay for home care relative to facility care?

a. Home care benefits are paid at 50% of the nursing home amount
b. Home care benefits are paid at 75% of the nursing home amount
c. Home care benefits are paid at 100% of the nursing home amount
d. Most policies give a variety of choices for how much can be paid for home care

63. Most policies today offer a lifetime coverage maximum (or total coverage amount) best described as follows:

   a. A specified number of years (e.g., 3 years) during which time you must use your benefits
   b. A specified number of years (e.g., 3 years) times 365 days per year. That defines the total number of days on which you can receive benefits
   c. A specified dollar amount, derived by multiplying some number of years times 365 days per year times the daily benefit amount you select. This dollar amount applies to all covered services under the policy
   d. Same as c. above, except that there are separate dollar pools for facility care and for at-home care. If you use up the lifetime maximum dollar amount for home care, then you have no more benefits unless you receive care in a facility

64. If you receive care everyday in a nursing home, how long will your $109,500 LTC policy last, assuming that your daily benefit amount for facility care is $100/day?

   a. At least 3 years, and possibly longer if your care costs less than $100/day
   b. Exactly 3 years
   c. Less than 3 years, if your care costs more than $100/day
   d. None of the above

65. Which of the following statements below are true with respect to <u>Compound Inflation Protection?</u> (Circle all that apply):

   a. Coverage increases periodically (e.g., every 2 or 3 years) by a specified amount
   b. Coverage amounts increase each year by 5% of the previous year’s amount
   c. Coverage amounts increase each year by 5% of their original amount
   d. Coverage increases are automatic
   e. No increases in coverage are available once you are receiving benefits
   f. Daily benefit amounts increase, but the lifetime maximum does not increase
   g. Increases in coverage end at age 85
   h. You pay an additional premium for the amount of increased coverage each time there is an increase
   i. The premium is designed not to change over time, even though the coverage amounts increase each year
   j. In the long-run, this is the most cost-effective approach
   k. This approach is best for younger buyers

66. Which of the following statements below are TRUE with respect to <u>Simple Inflation Protection?</u> (Circle ALL that apply):

a. Coverage increases periodically (e.g., every 2 or 3 years) by a specified amount
b. Coverage amounts increase each year by 5% of the previous year's amount
c. Coverage amounts increase each year by 5% of their original amount.
d. Coverage increases are automatic
e. You decide whether or not to elect each increase when it is offered
f. No increases in coverage are available once you are receiving benefits
g. Daily benefit amounts increase, but the lifetime maximum does not increase
h. Increases in coverage end at age 85
i. You pay an additional premium for the amount of increased coverage each time there is an increase
j. The premium is designed not to change over time, even though the coverage amounts increase each year
k. In the long run, this is the most cost-effective approach
l. This approach is best for younger buyers

67. If you purchase a $100 a day nursing home benefit and the nursing home charges you incur are $80 a day and the policy pays $100, the benefit payment method is known as?

a. Disability
b. Reimbursement
c. Indemnity
d. None of the above

68. Which of the following correctly describes Contingent Nonforfeiture?

a. A policy provision which provides a limited amount of coverage (e.g., 30 days worth) if your policy lapses due to non-payment of premium following a "substantial" increase in your premiums based on your age at the time you bought the policy
b. A policy provision which provides a limited amount of coverage (e.g., 30 days worth) if your policy lapses due to non-payment of premium for any reason
c. A policy provision which provides a limited amount of coverage (e.g., 30 days worth) if your policy lapses due to non-payment of premium because you were cognitively impaired at the time of the premium lapse
d. None of the above

69. Which of the following correctly describes an Elimination Period?

   a. The period of time you must wait before the insurance company determines whether you can be approved for coverage
   b. The period of time after your coverage becomes effective but before you can be eligible for any benefits
   c. The period of time after you are eligible for benefits and begin to receive covered services but before the policy will pay benefits
   d. The period of time you must wait to receive a refund of premium if you decide to cancel your policy within the first 30 days

70. Which of the following correctly describes the concept of premium waiver?

   a. You are not required to pay premiums while you are receiving benefits
   b. Once you begin to receive benefits, you never again have to pay premiums
   c. Once you become disabled and need care, you stop paying premiums, even if you have not yet started to receive services
   d. After you pay premiums for 20 years, your policy is “paid-up” and you don’t have to continue to pay premiums

71. The “free-look” refers to the initial number of days you have your coverage in which you can decide to cancel without any obligation and receive a refund of any premiums you have paid. How long is this “free-look period in Texas?”

   a. It varies from state to state
   b. 10 days
   c. 20 days
   d. 30 days

72. How many days does a Texas LTC policyholder have to make a premium payment from the date the payment is due?

   a. It varies from state to state
   b. 10 days
   c. 30 days
   d. 65 days

73. Which of the following correctly describes the conditions under which an insurance company can raise your premium rates after you have purchased coverage?

a. When you get older, develop a high risk health condition or use lots of benefits
b. When you have a life status change (e.g., divorce, retire, etc.)
c. When the insurer's administrative expenses increase or when they want to increase their profit margin
d. When the insurer can justify that the experience of an entire class of covered persons with similar coverage, of the same age, is different than what was originally predicted in the rates the insurer filed with the Department of Insurance

74. Which of the following are a key component of the NAIC's Rate Stability Guidelines?

a. Rates must be sufficient to be adequate even under "moderately adverse" circumstances
b. Rates must be guaranteed never to increase
c. Rates must be guaranteed never to increase beyond a certain amount specified when you buy the policy
d. If there is a rate increase, the consumer is guaranteed a return of premium equal to at least 30 times their daily benefit amount

75. What options does a consumer have in the event of a rate increase?

a. There really isn't anything they can do except pay the increase or drop their coverage
b. They can usually accept the increase or decrease coverage to an amount that would maintain their prior premium
c. They can complain to the Department of Insurance and get the rate increase overturned or waived if they can show just cause
d. None of the above

76. Which of the following provisions has the largest impact on the cost of coverage?

a. Elimination period
b. Premium waiver
c. Home care benefit amount
d. Inflation protection features

77. Which of the following best describes a 20-pay limited pay policy?

    a. After you have made 20 premium payments, your policy is paid in full
    b. After you have paid premiums for 20 years, your policy is paid in full
    c. Once you have paid a total amount of premiums equal to 20 times your initial premium payment, no further payments are required
    d. None of the above

78. Most long-term care policies give discounts for certain types of individuals. Which of the characteristics from the list below does not qualify someone for a premium discount on long-term care insurance?

    a. Being married
    b. Being in excellent health
    c. Being male
    d. Being a member of a group sponsoring a policy

79. Although underwriting practices vary across insurers, which of the following is not generally a condition to decline someone applying for long-term care insurance?

    a. Need help with activities of daily living
    b. Have mild arthritis, hypertension and a variety of other minor medical conditions
    c. Recent history of stroke or multiple strokes
    d. Chronic degenerative condition like Parkinson's disease or Lou Gehrig disease

80. Which of the following is typically <u>not</u> used in evaluating your health when you apply for long-term care coverage?

    a. In-person assessment interview
    b. Telephone assessment interview
    c. Application
    d. Medical records (attending physician statement)
    e. Medical exam including blood and urine samples

81. In general, when does a long-term care policy pay benefits?

    a. When your doctor determines that you need care
    b. When your family can no longer care for you on their own
    c. When you are about to be discharged from the hospital but still need follow-up care
    d. When you need help from another person with 2 or more Activities of Daily Living (ADLs) or when you have a cognitive impairment such as Alzheimer's disease

82. Which of the following is <u>not</u> a typical policy exclusion for long-term care insurance?

    a. Care outside the United States
    b. Care in a nursing home with less than 25 residents
    c. Care provided by family or for which no expense is made
    d. Care required due to war, felony or riot

83. Which of the following statements is true about pre-existing condition exclusions in long-term care policies?

    a. Most policies today exclude benefits for any condition emerging during the first 6 months of your coverage, if you had that condition previously
    b. Most policies today exclude benefits for any condition that you had prior to applying for coverage
    c. Most policies today have reduced the pre-existing condition exclusion to only 3 months, not 6
    d. A policy with a pre-existing condition exclusion must start paying in the seventh month

84. When do consumers typically receive the Outline of Coverage?

    a. Before the agent can accept their application
    b. After they have applied and while they are awaiting a decision from the insurer
    c. Once they are approved for coverage
    d. Only when they request it

85. What steps should a smart shopper be sure to include as they consider long-term care insurance?

    a. Carefully read the outline of coverage and understand what is and is not covered; consider and compare coverage from more than one company
    b. Don’t buy from any company that does not have reinsurance
    c. Don’t buy from any company that has been in the business for less than 10 years
    d. Don’t buy from any company that will take more than 20 days to issue coverage

86. Which of the following eligibility statements is <u>not</u> true of a non-tax qualified policy?

    a. 2 of 6 ADLs
    b. Medical necessity
    c. Plan of care
    d. Cognitive impairment

87. Which of the following is used to determine the cost of a LTC policy?

    a. Level of coverage
    b. Age
    c. Rider(s)
    d. All of the above

88. Which of the following is an important advantage of some of the other private financing options for LTC as an alternative to traditional LTC insurance?

    a. Someone in poor health is not excluded from many of these options
    b. Someone who is very wealthy would be wasting their money if the individual just bought traditional insurance
    c. These options are easier to shop for than LTC insurance, so you do not have to worry about making a wrong purchase decision
    d. All of the above

89. What is the minimum age for obtaining a home equity conversion mortgage, also called a reverse mortgage?

    a. 57
    b. 60
    c. 62
    d. 65

90. For each of the options listed below, please indicate whether there is health screening for that option. For example, LTC insurance requires health screening, but some of these other private finance options do not. Health screening can mean either that you must be in good health or you must have a certain health condition to be eligible for the option. Which of the following options do NOT require any health screening? (Circle all that apply).

    a. Home equity conversion mortgage
    b. Reverse mortgage annuity
    c. Home sale to generate cash flow
    d. Leaseback
    e. Accelerated death benefit
    f. Life settlement
    g. Viatical settlement
    h. Single premium life/LTC policy
    i. Deferred annuity with LTC benefits
    j. Immediate annuity
    k. Continuing Care Retirement Community

91. Which of the following best describes the amount you can borrow through a reverse mortgage?

    a. Any amount up to the value of the home
    b. An amount based on age, life expectancy, equity remaining in the home, location of the home and the interest rate
    c. An amount based on your age, life expectancy and the value of the home minus any outstanding loan balance
    d. Any amount up to 50 percent of the appraised value of the home at the time the loan is taken out

92. Which of the following best describes the payback provisions of a reverse mortgage available through the HUD/HECM program?

    a. You do not have to pay back the loan until you die or move out of the home. The amount you owe can never be more than the home's value at the time repayment is due.
    b. You make monthly payments on the loan while you continue to live in the house.
    c. The first loan payback installment is due after you have had the loan for 5 years. Thereafter you make annual payments to reduce the loan amount you owe.
    d. You do not have to pay back the loan until you die or move out of the home. You owe the full amount of the loan, plus any closing costs that you have financed along with the loan, regardless of the home's value at the time repayment is due.

93. Which of the following is the most widely available reverse mortgage program?

    a. Federal National Mortgage Association (FNMA)
    b. Fannie Mae Loan Program
    c. Uninsured loans through local lenders
    d. Federal Housing Administration's Home Equity Conversion Mortgage (HECM).

94. Which of the following best describe potential drawbacks of using a reverse mortgage to pay for LTC costs or to buy LTC insurance?

    a. Loan amount may not be enough to cover costs
    b. You will not be able to leave your home free and clear for your heirs
    c. The loan amount doesn't increase for inflation, so it may not be able to keep up with LTC costs
    d. All of the above

95. Who might NOT be a good candidate for a reverse mortgage?

    a. Someone who is in poor health
    b. Someone with limited financial means
    c. Someone planning to stay in his or her home a long time
    d. Someone planning to move within the relatively near future

96. One consideration in choosing a private finance option is tax implications. Which of the following finance options produce payments that are or might be taxable as income? (Circle all that apply)

    a. Reverse mortgage loan
    b. Single premium life/LTC policy
    c. Home leaseback
    d. Accelerated death benefit
    e. Life settlements
    f. Viatical settlements
    g. Deferred annuity with LTC benefits

97. Which of the following statements is <u>not</u> true regarding the Texas Medicaid Estate Recovery Program? (Circle all that are <u>not</u> true.)

    a. Recovery can be challenged if it would pose an undue hardship on surviving family members
    b. An applicant for Nursing Home Medicaid is not subject to estate recovery if he or she filed the application for Medicaid on March 1, 2005 and pursued the application through to approval
    c. The state can place a lien on the home of a Nursing Home Medicaid recipient once he or she has died to recover the costs the state paid for Medicaid services
    d. Texas will not seek estate recovery if the net worth of the estate is less than $50,000 and if the heirs have income of less than 300% of the federal poverty income limit

98. Which of the following entities is the most appropriate referral source if a senior has a dispute or complaint regarding a viatical settlement in Texas?

    a. Texas Department of Aging and Disability Services
    b. Texas Department of Insurance
    c. Texas Department of Banking
    d. Texas Attorney General's Office

99. Which of the following are “excluding survivors” under the Texas Medicaid Estate Recovery Program rules? (Circle all that apply.)

    a. a surviving spouse
    b. a child under the age of 21
    c. a child blind or disabled as defined by SSI
    d. a married adult child residing continuously in the Medicaid recipient’s homestead for at least one year before the recipient’s death

100. How can an estate avoid Medicaid estate recovery in Texas? (Circle all that apply.)

    a. If recovery efforts would cost the state more than the amount of the potential recovery
    b. If the value of the estate asset is less than $50,000
    c. If the value of the estate asset is less than $10,000
    d. If the Medicaid costs were $3000 or less

101. Which of the following options is not a viable long-term care financing option for a person with Alzheimer’s disease?

    a. Reverse mortgage
    b. Long-term care insurance
    c. Accelerated death benefits
    d. Viatical settlements

102. Which professional should a person seeking advice on Medicaid Estate Planning consult?

    a. An insurance agent
    b. A certified benefits counselor
    c. An elder law attorney
    d. A trusted family banker