

Chapter Eight Questions

1. Which of the following issues are important in determining an individual's or couple's need for planning ahead for the costs of Long Term Care (LTC)?
 - A. _____ Their financial situation.
 - B. _____ Their goals (i.e. Do they want to protect their assets for heirs or a charity?)
 - C. _____ Their health history including family health history.
 - D. _____ All of the above.
 - E. _____ A & B only.
 - F. _____ B & C only.

2. Activities of Daily Living (ADLS) are personal care functions such as bathing, continence, dressing, eating, toileting, and transferring.

True _____ False _____

3. Anybody who receives Medicare doesn't need additional LTC coverage since it will cover custodial care.

True _____ False _____

4. Medicare will pay for long-term care costs if the physician certifies that the patient needs skilled nursing care, and the patient goes to a Medicare-designated bed.

True _____ False _____

5. Medicare does not cover home health care services unless the person was just released from the hospital and it can be proven that it is cheaper to care for the person at home versus the hospital.

True _____ False _____

6. Long Term Care can be provided in which of the following settings.
 - A. _____ Assisted Living Facilities.
 - B. _____ An individual's home with Home Health Care.

- C. _____ A Hospital.
- D. _____ All of the above.
- E. _____ A & B only.
- F. _____ A & C only.

7. Which agency would you call for help if the client has been denied eligibility for Medicaid long-term care?

- A. _____ Texas Department on Aging Ombudsman Program.
- B. _____ Legal Hotline for Older Texans.
- C. _____ Texas Department of Health.
- D. _____ B and then A.

8. Which of the following can finance long – term care.

- A. _____ Medicare/Medicare supplemental insurance.
- B. _____ Medicaid
- C. _____ Long Term Care Insurance.
- D. _____ All of the above.
- E. _____ A & B only.
- F. _____ B & C only.

9. Which of the following would be a good candidate/candidates for considering LTC insurance?

- A. _____ A couple in their late 50's with both on Social Security disability under \$1200 per month.
- B. _____ A widow in her late 60's who owns her own home and receives QMB.
- C. _____ A widower in his 80's whose only asset is a 2000 acre ranch where he lives and Social Security under \$1000 per month.

D. _____ A couple in their late 60's with retirement income of \$3000 per month and investments of \$200,000.

E. _____ None of the above.

F. _____ All of the Above.

G. _____ A, C & D only.

10. Someone with a life insurance policy may be able to use that policy to cover LTC only if the policy has an Accelerated Death Benefit.

True _____ False _____

11. In a viatical settlement, the insured can sell their life policy only if the premiums are paid in full?

True _____ False _____

12. Other sources for funding LTC or purchasing long term care insurance include looking at reverse mortgages, annuities or trusts?

True _____ False _____

13. A household would have to exhaust all their savings and resources before they could qualify for Medicaid?

True _____ False _____

14. A "Benefit Trigger" on LTC policies is defined as which of the following.

A. _____ How long before a policy begins to pay.

B. _____ What method of payment will be used (i.e. indemnity or expense-incurred method).

C. _____ Conditions that must be met before a policy begins to pay.

D. _____ All of the Above.

E. _____ None of the Above.

15. Long Term Care policies similar to Medicare can require prior hospitalization before nursing home benefits will be covered.

True _____ False _____

16. One thing a benefits counselor or volunteer benefits counselor should always do is advise a client about whether they should purchase a Tax-Qualified LTC policy or a Non-Tax-Qualified LTC policy.

True _____ False _____

17. Which of the following could be offered by an insurance company as an "Elimination Period" on a LTC policy?

- A. _____ 0
- B. _____ 100
- C. _____ 365
- D. _____ 30
- E. _____ All of the Above.
- F. _____ A, B & D only.
- G. _____ None of the Above.

18. All of the following are mandatory features or options (required by Texas State law) on LTC policies sold in Texas except:

- A. _____ Policyholders must have a 30-day Free Look Period.
- B. _____ If a policyholder does not pay their premium when it is due, for any reason, they will have a 3 month grace period in which to pay their premiums.
- C. _____ Protection against inflation must be offered in at least one of three options.
- D. _____ All policies must permit the insured to designate at least one person to receive any notice of lapse or termination for nonpayment of premium.

19. LTC policies are standardized in Texas, just like Medicare Supplements.

True _____ False _____

20. Policies currently sold in Texas that cover home health care must also cover adult day care services and maintenance or personal care services provided by a home health aide.

True _____ False _____

21. In an expense –incurred policy payment method the company will pay less than the maximum if the actual cost is less.

True _____ False _____

22. Comprehensive LTC policies that provide both nursing home coverage and home health coverage must:

- A. _____ Pay similar maximum benefits in either a nursing home or in a home.
- B. _____ Set different maximum benefits for each coverage.
- C. _____ At minimum abide by a formula that requires that home health coverage equal at least one-half of a year’s worth of nursing home benefit coverage.
- D. _____ None of the Above.
- E. _____ B & C only.

23. In a LTC policy, the total amount of coverage offered should be reviewed carefully as total benefit amount can be stated in different terms. Something that reads in one section as “lifetime benefit” might be capped by a clause elsewhere in the policy that states the limits in years or dollar amounts.

True _____ False _____

24. A consumer should be made to understand the following about a LTC policy’s treatment of ADLS.

- A. _____ It will be cheaper to select a policy with three versus two ADLS.
- B. _____ The company must offer three ADLS and is required to get an applicant rejection of the same in writing.
- C. _____ The company must describe the premium and benefits for the cost of two versus three ADLS in all of their marketing, applications and policy materials.
- D. _____ The company can dictate the number of ADLS offered based on an applicants pre-existing conditions.
- E. _____ All but D above.

25. Which statement below is not true regarding LTC policies?

- A. _____ A company can choose not to sell a LTC insurance policy to a person with pre-existing conditions.

- B. _____ A company may impose a preexisting wait period for longer than six months after the effective date of coverage.
- C. _____ LTC insurance companies are allowed to have shorter preexisting wait periods or no waiting periods.
- D. _____ A company can be more restrictive in how they define a “preexisting condition”.
- E. _____ None of the Above.

26. An “Inflation Protection Benefit or rider in a LTC policy is aimed at protecting future increases in LTC costs. It is a required offering that must be rejected in writing.

True _____ False _____

27. Which of the following is aimed at protecting a person’s benefits when they can no longer afford a LTC policy?

- A. _____ Reinstatement
- B. _____ Grace Period
- C. _____ Nonforfeiture Benefit
- D. _____ Third Party Notice of Lapse
- E. _____ Waiver of Premium

28. Which optional benefits/riders should a couple intent upon buying LTC insurance review?

- A. _____ Paid-up Survivor
- B. _____ Shared Care
- C. _____ Refund of Premium
- D. _____ None of the Above
- E. _____ All of the Above

29. What is the primary role of the benefits counselor or volunteer benefits counselor regarding counseling with clients about LTC insurance?

- A. _____ Providing financial planning advice.

- B. _____ Advising about possible future eligibility for Medicaid.
- C. _____ Providing unbiased information about the insurance products that will allow the client to be a smart consumer.
- D. _____ All of the above.
- E. _____ None of the Above

30. The Outline of Coverage in LTC policies and its sequence of text is mandated to be in a standard format.

True _____ False _____

31. Match the following:

_____ The number of days after the premium due date in which it can still be paid without cancellation.

A. Activities of Daily Living (ADLs)

_____ Defines deterioration or loss in intellectual capacity requiring substantial supervision for protection of self or others as established by a clinical diagnosis of any licensed practitioner in Texas authorized to make such a diagnosis.

B. Elimination Period

_____ Everyday functions and activities individuals usually do without help. ADL functions include bathing, continence, dressing, eating, toileting, and transferring.

C. Grace Period

_____ A type of deductible: the length of time an individual must pay for covered services before the insurance company will begin to make payments.

D. Loss of Functional Capacity

_____ Same definition as the Activities of Daily Living.

E. Cognitive Impairment