

Certified Application Counselor Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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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.

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!

Questions

- 1. If kids are eligible for CHIP, are they also eligible for APTC or CSRs in the marketplace?**
 - A. Yes, they must enroll**
 - B. No, they are not eligible**
 - C. Only if the household income is below 200 percent FPL**
 - D. Yes, but only for limited coverage**
- 2. Which of the following statements is true regarding coinsurance?**
 - A. It is a fixed dollar amount paid for every visit**
 - B. It is always equal to 50% of the healthcare costs**
 - C. It represents a percentage of the allowed amount**
 - D. It is not applicable to outpatient services**
- 3. What is an out-of-pocket maximum?**
 - A. The total amount an insurance plan will pay for covered services**
 - B. The maximum amount an insured individual is required to pay for covered healthcare services in a plan year**
 - C. The annual premium paid for health insurance coverage**
 - D. The total cost of healthcare services before insurance coverage kicks in**
- 4. Which of the following is NOT a health coverage level?**
 - A. Gold**
 - B. Silver**
 - C. Diamond**
 - D. Bronze**
- 5. What is a primary role of Certified Application Counselors (CACs) regarding health insurance?**
 - A. Create insurance plans for clients**
 - B. Enroll individuals in available health plans**
 - C. Sell insurance policies directly**
 - D. Negotiate premiums on behalf of clients**

- 6. What are the primary enrollment periods for the Marketplace?**
- A. Only the Open Enrollment Period**
 - B. Open Enrollment and special offers**
 - C. Open Enrollment Period and Special Enrollment Periods**
 - D. Annual enrollment and extension periods**
- 7. Which of the following is NOT a responsibility of agents and brokers?**
- A. Sell insurance**
 - B. Facilitate enrollment**
 - C. Conduct medical examinations**
 - D. Assist with insurance applications**
- 8. Which of the following is most likely to be considered an allowed amount?**
- A. The full billed charge by the provider**
 - B. The negotiated rate between the insurer and provider**
 - C. The sum of all claims filed within a year**
 - D. Any amount deemed righteously charged by the provider**
- 9. What is the benefit of submitting an appeal request form online?**
- A. It provides immediate confirmation of receipt**
 - B. It allows for changes after submission**
 - C. It requires no additional documentation**
 - D. It is faster than mailing it**
- 10. How long is a CAC certification valid?**
- A. 6 months**
 - B. 12 months**
 - C. 18 months**
 - D. 24 months**

Answers

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

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Explanations

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1. If kids are eligible for CHIP, are they also eligible for APTC or CSRs in the marketplace?

A. Yes, they must enroll

B. No, they are not eligible

C. Only if the household income is below 200 percent FPL

D. Yes, but only for limited coverage

Children who qualify for the Children's Health Insurance Program (CHIP) are not eligible for Advanced Premium Tax Credits (APTC) or Cost-Sharing Reductions (CSRs) in the health insurance marketplace. CHIP provides comprehensive coverage for children from families with incomes that are too high to qualify for Medicaid but too low to afford private coverage. The reason for this is that CHIP is designed to be more affordable and accessible for children, providing them with tailored benefits that meet their needs. Families can choose to enroll in CHIP for their children, receiving reduced costs for their coverage through this program. When families enroll their children in CHIP, they access benefits specifically tailored for pediatric care without the additional financial assistance that comes with APTC or CSRs, which are intended for different marketplace plans. In essence, since CHIP is available to eligible children, those enrolled will not receive additional financial assistance from the marketplace, which includes APTC or CSRs, reinforcing CHIP's role as an alternative safety net for children's healthcare coverage.

2. Which of the following statements is true regarding coinsurance?

A. It is a fixed dollar amount paid for every visit

B. It is always equal to 50% of the healthcare costs

C. It represents a percentage of the allowed amount

D. It is not applicable to outpatient services

Coinsurance is a cost-sharing mechanism in health insurance where the insured pays a certain percentage of the healthcare expenses instead of a fixed amount. This means that after the deductible is met, the insurer and the insured share the costs of covered medical services according to a predetermined ratio. The correct answer is based on the principle that coinsurance typically applies to a percentage of the allowed amount, which is the maximum amount that an insurer will pay for a specified service. When a policy has coinsurance, if a medical service costs \$100 and the plan states a 20% coinsurance, the insured would pay \$20 while the insurance company pays the remaining \$80. This creates a dynamic where the consumer's cost-sharing aligns with the percentage stipulated in their insurance policy, affecting budgeting and understanding of healthcare expenses. The notion that coinsurance is always equal to 50% of the costs, as suggested by another option, is not accurate because coinsurance rates can vary significantly depending on the specific insurance plan. Likewise, it is not confined to any specific dollar amount per visit or limited to outpatient services; it applies as a general principle of risk sharing in both inpatient and outpatient healthcare scenarios. Thus, understanding that coinsurance represents a percentage of the allowed amount helps

3. What is an out-of-pocket maximum?

- A. The total amount an insurance plan will pay for covered services
- B. The maximum amount an insured individual is required to pay for covered healthcare services in a plan year**
- C. The annual premium paid for health insurance coverage
- D. The total cost of healthcare services before insurance coverage kicks in

The out-of-pocket maximum is a crucial component of health insurance plans, representing the highest amount an insured individual is required to pay for covered healthcare services within a designated plan year. When this cap is reached, the insurance company is obligated to cover 100% of the costs for covered services for the remainder of that year. This feature provides financial protection to individuals, ensuring they are not burdened by excessive medical expenses in times of need. In contrast, the other options describe different aspects of health insurance. The total amount an insurance plan will pay for covered services relates to the plan's benefits, while the annual premium refers to the amount paid to maintain coverage, not to the out-of-pocket expenses incurred by the insured. Moreover, the total cost of healthcare services prior to insurance coverage refers to the concept of deductibles rather than the out-of-pocket maximum, which specifically pertains to the individual's maximum financial responsibility for covered services.

4. Which of the following is NOT a health coverage level?

- A. Gold
- B. Silver
- C. Diamond**
- D. Bronze

The health coverage levels under the Affordable Care Act (ACA) are categorized into four defined metal tiers: Bronze, Silver, Gold, and Platinum. Each tier represents a different level of cost-sharing and coverage, with Bronze having the lowest premium and highest out-of-pocket costs, and Platinum offering the highest premium and lowest out-of-pocket costs. The option "Diamond" does not correspond to any established health coverage tier within the ACA guidelines. Therefore, it is identified as the correct answer in this context. The other choices—Gold, Silver, and Bronze—are all official categories that reflect the varying degrees of coverage available to consumers. Understanding these categories is essential for helping individuals navigate their health insurance options effectively.

5. What is a primary role of Certified Application Counselors (CACs) regarding health insurance?

- A. Create insurance plans for clients**
- B. Enroll individuals in available health plans**
- C. Sell insurance policies directly**
- D. Negotiate premiums on behalf of clients**

The primary role of Certified Application Counselors (CACs) is to assist individuals in enrolling in available health plans. They serve as vital resources in helping consumers understand their options under the Affordable Care Act (ACA) and other health insurance programs. This includes providing assistance with the application process, helping users navigate the available plans, and ensuring they have the information needed to select a plan that best fits their health care needs and financial situation. CACs do not create insurance plans or sell policies, nor do they negotiate premiums. Instead, their focus is on education and support to facilitate enrollment in health coverage. This support is critical for individuals who may not have prior experience with health insurance, ensuring they can access the coverage they need.

6. What are the primary enrollment periods for the Marketplace?

- A. Only the Open Enrollment Period**
- B. Open Enrollment and special offers**
- C. Open Enrollment Period and Special Enrollment Periods**
- D. Annual enrollment and extension periods**

The primary enrollment periods for the Marketplace consist of two key components: the Open Enrollment Period and Special Enrollment Periods. The Open Enrollment Period is the designated timeframe each year when individuals can enroll in or change their health insurance plans without needing to meet specific criteria. This period is typically set annually and allows for broad access to a range of health insurance options available through the Marketplace. In addition to the Open Enrollment Period, Special Enrollment Periods provide flexibility for individuals who experience qualifying life events, such as marriage, the birth of a child, or loss of other health coverage. These events allow individuals to enroll in a health plan or make changes to their existing coverage outside the standard Open Enrollment timeline. Recognizing both these periods is essential for understanding how individuals can access health coverage through the Marketplace and the rules governing enrollment. Other choices do not accurately capture the necessary components or mix periods that facilitate effective enrollment strategies.

7. Which of the following is NOT a responsibility of agents and brokers?

- A. Sell insurance**
- B. Facilitate enrollment**
- C. Conduct medical examinations**
- D. Assist with insurance applications**

Medical examinations are typically conducted by licensed medical professionals and are not a standard responsibility of agents and brokers. Agents and brokers primarily focus on selling insurance, facilitating enrollment in insurance plans, and assisting clients with filling out insurance applications. Their role is more about guiding clients through the insurance process and ensuring they understand their options, rather than conducting medical exams, which require specialized training and credentials beyond what is needed for insurance sales and brokerage. This delineation clarifies the specific responsibilities associated with agents and brokers in the insurance industry, highlighting that conducting medical examinations falls outside their typical scope of work.

8. Which of the following is most likely to be considered an allowed amount?

- A. The full billed charge by the provider**
- B. The negotiated rate between the insurer and provider**
- C. The sum of all claims filed within a year**
- D. Any amount deemed righteously charged by the provider**

The negotiated rate between the insurer and provider is considered the allowed amount because it reflects the agreed-upon payment that the insurer will provide for particular services. This rate is typically established through contracts between the insurer and healthcare providers, ensuring that both parties have a mutual understanding of the payment terms. In essence, this amount represents the maximum that the health plan will pay for a specific service and is critical for determining the out-of-pocket costs for patients. It is a standard practice for insurers to negotiate rates with providers to control costs and ensure fair compensation for medical services rendered. In contrast, the full billed charge by the provider may exceed this negotiated amount, and while it reflects what the provider initially charges, it does not represent the amount that the insurer will actually pay. Similarly, the sum of all claims filed within a year does not pertain to a specific service's reimbursement rate, and any amount deemed righteously charged by the provider is subjective and may vary widely without standardized agreements in place.

9. What is the benefit of submitting an appeal request form online?

- A. It provides immediate confirmation of receipt**
- B. It allows for changes after submission**
- C. It requires no additional documentation**
- D. It is faster than mailing it**

The benefit of submitting an appeal request form online is that it provides immediate confirmation of receipt. When you submit the form through an online portal, you typically receive a notification confirming that your request has been successfully received. This immediate acknowledgment is crucial as it gives you confidence that your appeal is being processed and that you can keep track of your submission. In many cases, submitting forms via traditional mail can lead to delays or uncertainties about whether the form was received, whereas online submissions mitigate this concern. Furthermore, knowing that your appeal request has been confirmed helps you to plan next steps and to maintain communication with the relevant authorities regarding your appeal status.

10. How long is a CAC certification valid?

- A. 6 months**
- B. 12 months**
- C. 18 months**
- D. 24 months**

The certified application counselor (CAC) certification is valid for 12 months. This certification is critical as it ensures that counselors are up-to-date with the latest policies, procedures, and requirements to assist individuals in navigating health insurance options, particularly through the Affordable Care Act marketplaces. After this 12-month period, counselors must complete a recertification process to maintain their ability to assist consumers effectively. Understanding the recertification timeline is essential for those in the role, as it emphasizes the importance of ongoing education and adaptability in the ever-changing landscape of health care. By recognizing that CAC certification is renewed annually, counselors can ensure they remain proficient in the necessary skills and knowledge to support and inform the public about health coverage options.

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://certifiedapplicationcounselor.examzify.com>

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