

FEDERALLY FACILITATED MARKETPLACE (FFM) PRACTICE EXAM (SAMPLE) STUDY GUIDE



Prepare with structure. Pass with confidence



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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

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- 1. Which actuarial value is associated with the Silver metal level?**
 - A. 60%
 - B. 70%
 - C. 80%
 - D. 90%
- 2. How do APTC payments interact with the monthly premium payments to the QHP issuer?**
 - A. APTC is paid directly to the QHP issuer to reduce the monthly premium; the consumer pays any remaining portion.
 - B. APTC is applied as a credit on the consumer's tax return after the year ends.
 - C. APTC covers only copays and deductibles, not the premium.
 - D. APTC is used to cover non-premium costs like copays.
- 3. How many days after birth, adoption, or foster care do consumers have to select a plan through an SEP?**
 - A. 30 days
 - B. 45 days
 - C. 90 days
 - D. 60 days
- 4. What is the role of the Second Lowest Cost Silver Plan (SLCSP) in subsidy calculations?**
 - A. It is used as a reference plan to determine the maximum APTC
 - B. It sets the employer contribution
 - C. It determines plan enrollment windows
 - D. It identifies plan network requirements
- 5. Which entity can provide an eligibility determination to the consumer during enrollment?**
 - A. The Marketplace
 - B. EDE
 - C. Classic DE
 - D. HealthCare.gov

- 6. What is APTC used for in marketplace subsidies?**
- A. APTC is the premium tax credit that reduces monthly premium costs; it is paid to the insurer on the enrollee's behalf.
 - B. APTC is a tax deduction for medical expenses.
 - C. APTC is a penalty for not having MEC.
 - D. APTC is a grant for out-of-network services.
- 7. What is the difference between Premium Tax Credit (PTC) and Premium Tax Credit Reconciliation?**
- A. PTC is the upfront subsidy that reduces premiums; Reconciliation is the annual process of comparing the APTC paid to the actual credit due on Form 8962.
 - B. PTC is the same as APTC; Reconciliation is optional.
 - C. PTC is a tax penalty; Reconciliation is the refund.
 - D. PTC applies only to Medicaid; Reconciliation applies to private plans.
- 8. Sonya and Jamar live together as domestic partners with a daughter. Jamar files a tax return while Sonya files a separate tax return and claims Gabrielle as their dependent. Since the three live together, is this one tax household?**
- A. True
 - B. Not specified
 - C. False
 - D. It depends on state law
- 9. Which metal level generally has the lowest premium but highest cost-sharing?**
- A. Bronze
 - B. Silver
 - C. Gold
 - D. Platinum
- 10. Which statement best describes how accuracy of eligibility determinations across states is achieved?**
- A. They verify identity of plan sponsors
 - B. They enforce subscriber contract terms
 - C. They determine plan benefits
 - D. They ensure accuracy through standardized rules, data sharing, and audits

Answers

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

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Explanations

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1. Which actuarial value is associated with the Silver metal level?

- A. 60%
- B. 70%**
- C. 80%
- D. 90%

Actuarial value is the portion of a plan's costs that the insurer is expected to cover for a standard population. In ACA metal levels, Bronze plans cover about 60% of costs, Silver about 70%, Gold about 80%, and Platinum about 90%. So the Silver level corresponds to an actuarial value of 70%, meaning the plan is designed to cover about 70% of typical medical costs, with the enrollee responsible for the remaining 30% through deductibles, copays, and coinsurance. Some Silver plans with cost-sharing reductions can effectively raise that value for eligible enrollees, but the standard Silver AV is 70%.

2. How do APTC payments interact with the monthly premium payments to the QHP issuer?

- A. APTC is paid directly to the QHP issuer to reduce the monthly premium; the consumer pays any remaining portion.**
- B. APTC is applied as a credit on the consumer's tax return after the year ends.
- C. APTC covers only copays and deductibles, not the premium.
- D. APTC is used to cover non-premium costs like copays.

APTC works by lowering your monthly premium directly through the health plan issuer. The advance premium tax credit is paid to the QHP issuer, which reduces the amount you owe each month. You then pay whatever portion of the premium remains. This keeps monthly costs predictable and helps make coverage affordable throughout the year. Context helps: the APTC is based on your household income and plan cost, and it's an advance on the credit you're eligible for. At tax time, you reconcile the actual premium tax credit you're eligible for with what you received in advance (using Form 8962). If you got more APTC than you're eligible for, you may owe back some of it, depending on your income. The other descriptions aren't correct because APTC isn't just for copays or deductibles, it's applied to the premium itself; it isn't merely a post-year tax credit, and it isn't used for non-premium costs.

3. How many days after birth, adoption, or foster care do consumers have to select a plan through an SEP?

- A. 30 days
- B. 45 days
- C. 90 days
- D. 60 days**

Special Enrollment Periods let you add coverage when a life event changes your situation. For birth, adoption, or placement in foster care, you have 60 days from the event to enroll in a plan. This 60-day window ensures you can secure health coverage for the new family member without waiting for the next Open Enrollment. If you enroll within those 60 days, the new coverage can start from the date of the event (birth date for a newborn; date of placement for adoption or foster care). If you miss the window, you'd need to wait for the next Open Enrollment or another qualifying life event SEP.

4. What is the role of the Second Lowest Cost Silver Plan (SLCSP) in subsidy calculations?

- A. It is used as a reference plan to determine the maximum APTC**
- B. It sets the employer contribution
- C. It determines plan enrollment windows
- D. It identifies plan network requirements

The main idea is that the SLCSP serves as the reference price for subsidies. In subsidy calculations, the premium tax credit is anchored to the premium of the second-lowest-cost silver plan in the enrollee's area. This benchmark sets the maximum amount of subsidy a household can receive and governs how large the credit can be. After a household's contribution amount, based on income, is determined, the credit is effectively the difference between that SLCSP premium and the household's contribution, and it reduces the plan's premium the consumer pays. So the SLCSP ensures subsidies are tied to a silver-plan benchmark rather than to any specific plan price. The other options don't fit because the SLCSP isn't about employer contributions, enrollment windows, or network requirements.

5. Which entity can provide an eligibility determination to the consumer during enrollment?

- A. The Marketplace
- B. EDE**
- C. Classic DE
- D. HealthCare.gov

Eligibility determinations during enrollment are provided by the Eligibility Determination Engine (EDE). This automated engine checks the consumer's data in real time—income, household size, residency, and other eligibility factors—to determine if they qualify for subsidies (like APTC or CSR) or for Medicaid/CHIP. The EDE then returns an eligibility decision within the enrollment flow, so the consumer can see subsidy amounts and plan options immediately. While the Marketplace facilitates enrollment and displays results, the actual calculation and verdict come from the EDE. Other options such as HealthCare.gov or older/deprecated systems do not perform the real-time eligibility determination.

6. What is APTC used for in marketplace subsidies?

- A. APTC is the premium tax credit that reduces monthly premium costs; it is paid to the insurer on the enrollee's behalf.**
- B. APTC is a tax deduction for medical expenses.
- C. APTC is a penalty for not having MEC.
- D. APTC is a grant for out-of-network services.

APTC stands for Advanced Premium Tax Credit. It reduces the monthly cost of a marketplace health plan by paying part of the premium directly to the insurer on the enrollee's behalf. The amount is determined based on household income and family size, and it's paid in advance to lower the monthly premiums. You reconcile the actual credit when you file taxes, adjusting if your income estimate was off. This subsidy is specific to marketplace plans and is not a tax deduction for medical expenses, a penalty for lacking coverage, or a grant for out-of-network services.

7. What is the difference between Premium Tax Credit (PTC) and Premium Tax Credit Reconciliation?

- A. PTC is the upfront subsidy that reduces premiums; Reconciliation is the annual process of comparing the APTC paid to the actual credit due on Form 8962.**
- B. PTC is the same as APTC; Reconciliation is optional.
- C. PTC is a tax penalty; Reconciliation is the refund.
- D. PTC applies only to Medicaid; Reconciliation applies to private plans.

The item tests how the health insurance premium credit works in two stages: an upfront subsidy and an annual settlement. The Premium Tax Credit is the overall credit you qualify for to help pay Marketplace premiums. To make coverage more affordable each month, most people receive an advance of this credit (APTC) paid directly to the insurer. At tax time, you perform an annual reconciliation to determine the actual credit you should have based on your final income for the year, using Form 8962. If you got more APTC than you're entitled to, you repay the excess; if you got less, you can claim the remaining credit on your tax return. That distinction is why the correct choice describes PTC as the upfront subsidy reducing premiums and reconciliation as the annual comparison between APTC paid and the actual credit due on Form 8962. The other options mix up the concepts or assign incorrect roles (not a penalty, not Medicaid-only, and reconciliation is not optional).

8. Sonya and Jamar live together as domestic partners with a daughter. Jamar files a tax return while Sonya files a separate tax return and claims Gabrielle as their dependent. Since the three live together, is this one tax household?

- A. True
- B. Not specified
- C. False**
- D. It depends on state law

The concept here is how a tax household is defined for purposes like the marketplace: it's determined by how dependents are claimed on tax returns, not just by who lives under the same roof. If two people are domestic partners and file separately, they aren't automatically one tax household unless there is a joint return or a same-claim arrangement on a single return. In this scenario, Jamar files his own return, while Sonya files separately and claims Gabrielle as a dependent on her return. That means Gabrielle is part of Sonya's tax household, but not part of Jamar's. Since the three do not share a single return or a single dependent claim, they do not form one tax household. State law doesn't determine tax households for the marketplace—federal tax rules do. So, it is not one tax household.

9. Which metal level generally has the lowest premium but highest cost-sharing?

A. Bronze

B. Silver

C. Gold

D. Platinum

In marketplace plan design, metal levels show how much of your medical costs the plan covers versus what you pay yourself. Bronze plans typically cover about 60% of average costs, Silver around 70%, Gold about 80%, and Platinum roughly 90%. Because Bronze plans pay the smallest share of costs, they tend to have the lowest monthly premiums, but you incur higher out-of-pocket costs when you need care. That combination—lowest premium with the highest cost-sharing—is why Bronze is the best fit for someone prioritizing paying less each month but able to absorb more costs if they need care. Platinum would be the opposite, with the highest premium and the lowest cost-sharing.

10. Which statement best describes how accuracy of eligibility determinations across states is achieved?

A. They verify identity of plan sponsors

B. They enforce subscriber contract terms

C. They determine plan benefits

D. They ensure accuracy through standardized rules, data sharing, and audits

Cross-state accuracy in determining eligibility is achieved by applying the same rules to everyone, using shared data sources, and verifying processes through audits. A unified set of eligibility criteria defines who qualifies for subsidies or enrollment, so all states apply the same logic rather than interpreting rules differently. Data sharing, via the Data Services Hub and trusted sources like IRS, SSA, and state Medicaid systems, lets the marketplace verify income, household size, residency, and citizenship consistently, reducing mismatches and errors. Regular audits and oversight check determinations for correctness and consistency, catching mistakes and ensuring improvements are applied nationwide. While identifying plan sponsors, enforcing contract terms, or deciding plan benefits are important activities, they do not drive the cross-state consistency of eligibility determinations.

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://fedfacilitatedmarketplace.examzify.com>

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

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