Medicare Ethics and Compliance 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. **Which statement about plan features is not guaranteed and should be verified during enrollment?**

   A. The new plan network will include all current providers

   B. The medications on the formulary will remain the same

   C. The new plan may not offer all the same features as the current plan

   D. The costs will be the same

2. **When discussing benefits with the consumer before enrollment, which statement must be disclosed?**

   A. Provider and/or pharmacy network limitations

   B. Only the monthly premium

   C. No network information is required

   D. The weather policy

3. **Which statement about a stand-alone Prescription Drug Plan (PDP) is true?**

   A. It provides prescription drug coverage and can be paired with plans that do not include drug coverage.

   B. It provides medical services.

   C. It is the same as Original Medicare.

   D. It includes hospital coverage only.

4. **A thorough needs assessment will include which of the following components?**

   A. Identifying what healthcare coverage attributes are most important to the consumer and tradeoffs

   B. Learning about the consumer's favorite sports team

   C. Learning about the consumer's grade point average

   D. Identifying their preferred brand of prescription medications only

5. **What document must be used to authorize someone to enroll if the consumer cannot attend?**

   A. They must be a guardian

   B. They must be a licensed attorney

   C. They must be a notary

   D. They must be legally authorized in the state to act on behalf of the consumer (Power of Attorney)

6. To complete an Enrollment Application on behalf of a consumer, what authority must the individual have?

A. The individual must be a licensed attorney

B. The individual must be legally authorized in the state to act on behalf of the consumer (Power of Attorney)

C. The individual must be the consumer's guardian

D. The individual must be a medical professional

7. Which statement is correct about a like-plan change?

A. Switching from MA to Original Medicare

B. Switching from PDP to MA

C. Enrolling in a plan of the same type as the current plan (MA to MA)

D. Cancelling coverage with no replacement

8. Which describes Permission to Contact (PTC) guidelines?

A. Contact can only be made by the method(s) requested by the consumer and the agent can only market the product(s) indicated by the consumer.

B. You can contact by any method at any time.

C. You can market any product regardless of the consumer's indications.

D. PTC guidelines don't apply to Medicare products.

9. Which description should you not use when comparing the benefits of a new plan to the consumer's current plan?

A. The new plan will maintain all the same benefits as your current plan

B. The new plan will have fewer benefits but lower cost

C. The new plan will sometimes require different providers or networks

D. Nothing will change

10. When you discover a consumer is already enrolled in a Medicare Advantage plan, what must you do prior to making a plan recommendation and enrolling the consumer in a new plan?

A. Compare with the consumer any plan I recommend to their current MA plan, including benefits, costs, network, and drug coverage

B. Only present the new plan's benefits

C. Enroll them in the new plan immediately without comparison

D. Tell them to stay with their current plan

Answers

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

Explanations

1. Which statement about plan features is not guaranteed and should be verified during enrollment?

A. The new plan network will include all current providers

B. The medications on the formulary will remain the same

C. The new plan may not offer all the same features as the current plan

D. The costs will be the same

Not guaranteed: a new plan may not offer all the same features as your current plan. When you switch plans, the network of doctors, the drug formulary, and the mix of benefits and costs are defined by the new plan's contract, which can be different from what you have now. Because of that, you should verify these details during enrollment by checking the plan's Evidence of Coverage, confirming that your doctors are in-network, ensuring your medications are covered on the formulary and understanding the associated copays or coinsurance, and reviewing any changes in premiums, deductibles, and out-of-pocket costs. If you don't verify, you could encounter higher costs or gaps in coverage.

2. When discussing benefits with the consumer before enrollment, which statement must be disclosed?

A. Provider and/or pharmacy network limitations

B. Only the monthly premium

C. No network information is required

D. The weather policy

Disclosing provider and/or pharmacy network limitations is essential when discussing benefits before enrollment. Knowing whether a plan restricts where you can see doctors or fill prescriptions helps the consumer understand true access and cost implications. If a provider or pharmacy isn't in-network, coverage may be limited or out-of-pocket costs higher, which can significantly affect overall decision-making. Because access to care and medication is a core consideration, these network details must be communicated upfront. Simply stating the monthly premium or saying no network information is required would leave the consumer without crucial information to choose the right plan, and irrelevant items like weather policies do not pertain to benefits.

3. Which statement about a stand-alone Prescription Drug Plan (PDP) is true?

A. It provides prescription drug coverage and can be paired with plans that do not include drug coverage.

B. It provides medical services.

C. It is the same as Original Medicare.

D. It includes hospital coverage only.

Stand-alone Prescription Drug Plans provide coverage for prescription medications only and are designed to pair with Medicare medical coverage that doesn't include drugs. Original Medicare doesn't pay for most prescription drugs, so enrolling in a PDP adds the drug coverage you need, while the medical benefits come from Part A and Part B (or from a Medicare Advantage plan that may or may not include drugs). A PDP does not cover medical services or hospital care, which are handled by other parts of Medicare. This is why the statement that best describes a stand-alone PDP is that it offers prescription drug coverage and can be paired with plans that do not include drug coverage.

4. A thorough needs assessment will include which of the following components?

A. Identifying what healthcare coverage attributes are most important to the consumer and tradeoffs

B. Learning about the consumer's favorite sports team

C. Learning about the consumer's grade point average

D. Identifying their preferred brand of prescription medications only

The main idea being tested is that a thorough needs assessment centers on identifying what matters most to the consumer about their healthcare coverage and understanding the tradeoffs they're willing to accept. In practice, this means asking the consumer to share which plan attributes are most important—such as premium cost, deductible, copays, out-of-pocket maximum, drug coverage, provider and pharmacy networks, and covered services—and then exploring the acceptable compromises they're willing to make to fit their situation. This information guides recommendations that fit the person's financial realities, health needs, and values, and it supports ethical, patient-centered guidance in Medicare decisions. The other items don't fit because they don't address meaningful coverage needs or decision-making factors. A consumer's favorite sports team or grade point average aren't relevant to choosing a Medicare plan, and focusing only on a brand of prescription medications ignores broader coverage attributes and tradeoffs that truly influence plan suitability.

5. What document must be used to authorize someone to enroll if the consumer cannot attend?

A. They must be a guardian

B. They must be a licensed attorney

C. They must be a notary

D. They must be legally authorized in the state to act on behalf of the consumer (Power of Attorney)

When someone cannot attend, the person who acts on their behalf must have a valid, state-recognized instrument that directly authorizes them to enroll. A Power of Attorney fits this role because it designates an agent and gives them authority to handle specific matters for the consumer, including enrollment actions. For Medicare enrollment, the POA must be legally valid in the consumer's state and clearly cover enrollment activities; it should be durable or otherwise applicable even if the consumer is incapacitated. A guardian's authority comes from a court appointment and is not the standard enrollment document, a notary merely notarizes signatures and does not grant authority, and a licensed attorney can represent the consumer only if they hold a POA or another court-ordered authority. So the document that best and most directly authorizes enrollment on behalf of the consumer is the Power of Attorney.

6. To complete an Enrollment Application on behalf of a consumer, what authority must the individual have?

A. The individual must be a licensed attorney

B. The individual must be legally authorized in the state to act on behalf of the consumer (Power of Attorney)

C. The individual must be the consumer's guardian

D. The individual must be a medical professional

The key idea is that someone can complete an enrollment on another person's behalf only if they have valid legal authority recognized by state law. This is typically provided by a Power of Attorney, which grants a designated individual the legal permission to act for the consumer in enrollment matters. Because enrollment involves sensitive personal information, the plan and CMS need verifiable proof that the representative is authorized to act for the consumer, ensuring the consumer's consent and the accuracy of the information submitted. Being a licensed attorney isn't required; the representative can be a non-attorney with proper authorization. A guardian can have authority, but that's a separate legal arrangement and not the general requirement. A medical professional isn't needed for this role.

7. Which statement is correct about a like-plan change?

A. Switching from MA to Original Medicare

B. Switching from PDP to MA

C. Enrolling in a plan of the same type as the current plan (MA to MA)

D. Cancelling coverage with no replacement

A like-plan change means moving between plans that are the same type of Medicare coverage. In this case, that's staying within Medicare Advantage—switching from one MA plan to another MA plan. It keeps you in the same category of coverage rather than changing to Original Medicare or to a separate prescription drug plan. So enrolling in a plan of the same type as the current plan (MA to MA) is the correct characterization of a like-plan change. Switching from MA to Original Medicare, switching from a PDP to MA, or cancelling coverage without replacement all involve changing to a different plan type or leaving coverage altogether, which are not like-plan changes.

8. Which describes Permission to Contact (PTC) guidelines?

A. Contact can only be made by the method(s) requested by the consumer and the agent can only market the product(s) indicated by the consumer.

B. You can contact by any method at any time.

C. You can market any product regardless of the consumer's indications.

D. PTC guidelines don't apply to Medicare products.

Permission to Contact guidelines focus on respecting the consumer's stated preferences and consent for outreach. Outreach is allowed only through the method the consumer requested, and only about the product types the consumer indicated they're interested in. This keeps communications focused, opt-in, and aligned with what the consumer has shown they want to receive. This approach protects privacy and reduces unwanted marketing, which is especially important in Medicare where there are strict rules about how and what can be discussed. It also ensures that agents don't push products the consumer didn't indicate interest in, and don't use contact channels the consumer didn't approve. The other descriptions don't fit because contacting by any method at any time ignores the consumer's preferences, marketing any product regardless of indicated interest ignores consent, and claiming PTC guidelines don't apply to Medicare products is inaccurate since Medicare marketing practices are governed by these consent-based rules.

9. Which description should you not use when comparing the benefits of a new plan to the consumer's current plan?

A. The new plan will maintain all the same benefits as your current plan

B. The new plan will have fewer benefits but lower cost

C. The new plan will sometimes require different providers or networks

D. Nothing will change

Saying nothing will change is not appropriate because plans almost always differ in coverage, networks, and costs. When you compare a new plan to a consumer's current plan, you need to present actual differences clearly so the consumer can evaluate trade-offs. Even if a plan appears similar, there can be changes in drug coverage (formulary), provider networks, referral requirements, copayments, deductibles, and out-of-pocket maximums. Leading with "nothing will change" can mislead the consumer and hinder informed decision-making. Instead, describe precisely what stays the same and what changes, including any impact on premiums, access to preferred providers, and whether drugs are covered the same way.

10. When you discover a consumer is already enrolled in a Medicare Advantage plan, what must you do prior to making a plan recommendation and enrolling the consumer in a new plan?

A. Compare with the consumer any plan I recommend to their current MA plan, including benefits, costs, network, and drug coverage

B. Only present the new plan's benefits

C. Enroll them in the new plan immediately without comparison

D. Tell them to stay with their current plan

When you're working with a consumer who already has a Medicare Advantage plan, the essential step is to perform a thorough, apples-to-apples comparison between the current plan and any plan you would propose before making a recommendation or enrolling them in a new plan. This ensures you're acting in the consumer's best interest and meeting ethical and compliance standards for objective guidance. Why this matters: Medicare Advantage plans can differ widely in what they cover and how much they cost. You need to look at the full picture of each plan, including benefits and out-of-pocket costs, how much the premium and deductibles are, what the plan's annual out-of-pocket maximum would be, and how the network and formulary compare to the consumer's needs. A key part of this is drug coverage: check whether the medications the consumer takes are on the proposed plan's formulary, what the copays or coinsurance would be, and whether any prior authorizations or step therapy requirements would apply. You also want to verify provider access—whether the consumer's current doctors, hospitals, and preferred pharmacies are in-network under the new plan—and consider any changes in extra benefits (such as dental or vision) that matter to the consumer. The process should be documented and shared with the consumer in clear terms, including a side-by-side comparison, so they can see how the new plan would affect their care and costs. Obtain informed consent to enroll after presenting the comparison, and ensure you're operating within appropriate enrollment periods and marketing/suitability standards. This approach safeguards the consumer from unexpected changes in coverage and aligns the recommendation with their health needs and financial interests.

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://medicareethicscompliance.examzify.com

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