

North Carolina Medicare Supplement and Long-Term Care Agent 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

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- 1. Under what circumstances can a long-term care (LTC) policy be rescinded by an insurer?**
 - A. Only if the policyholder requests it**
 - B. For any reason deemed necessary by the insurer**
 - C. If misrepresentation is proven within a specified time frame**
 - D. When the policyholder has filed a claim**
- 2. Which statement is true about Medicare's coverage of prescription drugs?**
 - A. Part A covers most prescription drugs**
 - B. Medicare does not cover most prescription drugs**
 - C. Part C covers all prescription drugs**
 - D. All prescription drugs are covered**
- 3. Which act is aimed at reducing healthcare fraud and abuse?**
 - A. Medicare Modernization Act**
 - B. Health Insurance Portability and Accountability Act**
 - C. Affordable Care Act**
 - D. Social Security Act**
- 4. Is Medicare designed for custodial care?**
 - A. Yes, it covers all types of care**
 - B. No, it does not cover custodial care**
 - C. Yes, but only in some cases**
 - D. No, but it assists with long-term care**
- 5. What type of plan is Medigap considered?**
 - A. Group plan regulated by the federal government**
 - B. Individually owned and state regulated supplement plan**
 - C. Employer-sponsored health plan**
 - D. Nonprofit insurance program**

6. Which of the following services is NOT covered under Medicare Part B as an outpatient service?

- A. Physical therapy**
- B. Emergency room services**
- C. Artificial limbs**
- D. Most immunizations**

7. To qualify for benefits from tax-qualified long-term care insurance, how many Activities of Daily Living (ADLs) must a person typically be unable to perform without assistance?

- A. One**
- B. Two**
- C. Four**
- D. Six**

8. What qualifies a long-term care policy?

- A. Unable to perform any ADLs**
- B. Unable to perform at least two of the six ADLs or having severe cognitive impairment**
- C. Having a terminal illness diagnosis**
- D. Being over the age of 65**

9. What is the purpose of the QIO established by CMS in each state?

- A. Promoting health insurance options**
- B. Monitoring and improving the quality of care provided to Medicare beneficiaries**
- C. Managing patient finances**
- D. Administering Medicare supplemental plans**

10. How often does Medicare Part A require a deductible for inpatient care?

- A. Per the hospital stay**
- B. Per year**
- C. Per benefit period**
- D. Per month**

Answers

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

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Explanations

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- 1. Under what circumstances can a long-term care (LTC) policy be rescinded by an insurer?**
 - A. Only if the policyholder requests it**
 - B. For any reason deemed necessary by the insurer**
 - C. If misrepresentation is proven within a specified time frame**
 - D. When the policyholder has filed a claim**

A long-term care (LTC) policy may be rescinded by an insurer if misrepresentation is proven within a specified time frame. This is because insurance policies are based on the accurate disclosure of information by the policyholder during the application process. If the insurer discovers that the policyholder provided incorrect or incomplete information that significantly affects underwriting decisions or the risk assessment, they have the right to rescind the policy. Typically, there is a specific time frame within which this misrepresentation must be identified—often outlined in the policy terms and regulated by insurance laws. This provides a balance between protecting insurers from fraudulent behavior and ensuring that policyholders have some degree of security once the policy is in force, as long as they have been honest in their disclosures. Rescission due to misrepresentation is a key principle in insurance, emphasizing the importance of integrity and transparency when obtaining coverage. It reflects an essential aspect of risk management within the insurance industry.

- 2. Which statement is true about Medicare's coverage of prescription drugs?**
 - A. Part A covers most prescription drugs**
 - B. Medicare does not cover most prescription drugs**
 - C. Part C covers all prescription drugs**
 - D. All prescription drugs are covered**

Medicare's coverage of prescription drugs can be complex, but the statement that Medicare does not cover most prescription drugs is valid in the context of original Medicare. Original Medicare, which consists of Part A and Part B, generally does not provide coverage for most outpatient prescription medications. Part A primarily covers inpatient hospital stays, limited skilled nursing facility care, hospice, and some home health services, while Part B covers medically necessary services like doctor visits and outpatient care, but not routine prescription drugs. For prescription drug coverage, Medicare beneficiaries typically need to enroll in Medicare Part D, which is specifically designed for this purpose. Part D plans are offered by private insurance companies and cover a range of prescription medications, but coverage can vary widely based on the plan selected. Therefore, stating that Medicare does not cover most prescription drugs aligns with the structure of Medicare itself, indicating that beneficiaries should seek additional coverage through Part D for their prescription needs. Understanding this distinction helps clarify why the other options do not accurately reflect the reality of Medicare's prescription drug coverage.

3. Which act is aimed at reducing healthcare fraud and abuse?

- A. Medicare Modernization Act**
- B. Health Insurance Portability and Accountability Act**
- C. Affordable Care Act**
- D. Social Security Act**

The Health Insurance Portability and Accountability Act (HIPAA) is indeed the legislation focused on reducing healthcare fraud and abuse. While HIPAA primarily addresses data privacy and security of health information, it includes provisions designed to enhance the integrity of the healthcare system. One significant aspect of HIPAA is its enforcement mechanisms, which hold healthcare providers accountable for compliance with regulations that prevent fraudulent activities. Moreover, HIPAA established stricter penalties for healthcare fraud and set standards for electronic health transactions, ultimately aiming to protect against misuse of patient information and related fraudulent activities. Although other laws also contribute to combating fraud within the healthcare system, such as the Affordable Care Act, HIPAA specifically establishes measures that directly address issues surrounding fraud and abuse in the handling of healthcare data, ensuring greater accountability among providers.

4. Is Medicare designed for custodial care?

- A. Yes, it covers all types of care**
- B. No, it does not cover custodial care**
- C. Yes, but only in some cases**
- D. No, but it assists with long-term care**

Medicare is not designed to cover custodial care, which refers to assistance with daily activities such as bathing, dressing, and eating. While Medicare does provide coverage for various medical services, it typically only covers skilled nursing care if it is necessary for therapy or rehabilitation following a hospitalization, and this care must be provided in a skilled nursing facility or by a qualified home health service. Custodial care is primarily focused on assistance with activities of daily living and does not require skilled medical care. Therefore, Medicare does not cover this type of care, making the statement that it does not cover custodial care accurate. This distinction is essential for individuals looking to understand what Medicare offers and what they may need supplemental insurance or alternative plans for.

5. What type of plan is Medigap considered?

- A. Group plan regulated by the federal government
- B. Individually owned and state regulated supplement plan**
- C. Employer-sponsored health plan
- D. Nonprofit insurance program

Medigap, also known as Medicare Supplement Insurance, is considered an individually owned and state-regulated supplement plan. This type of insurance is designed to cover the gaps in coverage provided by Original Medicare (Parts A and B), helping with expenses like copayments, coinsurance, and deductibles. Each Medigap policy is sold by private insurance companies, and although it is regulated by the states, the federal government also establishes certain standards for these policies. The key factor in Medigap's classification as an individually owned product is that it is purchased directly by individuals to complement their Medicare coverage, as opposed to being obtained through a group or employer. State regulation ensures that these policies adhere to specific guidelines, providing consumer protections and standardized benefits. This distinguishes Medigap plans from other health insurance arrangements, making "individually owned and state regulated" the accurate description.

6. Which of the following services is NOT covered under Medicare Part B as an outpatient service?

- A. Physical therapy
- B. Emergency room services
- C. Artificial limbs
- D. Most immunizations**

The assertion that most immunizations are not covered under Medicare Part B as an outpatient service is accurate because Medicare Part B does have specific guidelines on vaccines. While it does cover certain vaccinations, such as those for influenza and pneumococcal diseases, other immunizations, particularly those for travel or routine immunizations, are typically not included. In contrast, services such as physical therapy, emergency room services, and artificial limbs are indeed covered by Medicare Part B, assuming they meet clinical necessity and other coverage requirements. The distinction is significant in understanding the breadth of Medicare Part B coverage as it pertains to outpatient services. It's important for beneficiaries to be aware of what is included under this part to make informed healthcare decisions and avoid unexpected costs.

7. To qualify for benefits from tax-qualified long-term care insurance, how many Activities of Daily Living (ADLs) must a person typically be unable to perform without assistance?

- A. One**
- B. Two**
- C. Four**
- D. Six**

To qualify for benefits from tax-qualified long-term care insurance, a person typically must be unable to perform at least two Activities of Daily Living (ADLs) without assistance. ADLs are essential daily tasks that include bathing, dressing, eating, transferring (moving from one position to another), toileting, and continence. The requirement of needing assistance with two ADLs reflects a recognition of the individual's level of functional impairment, which is significant enough to warrant long-term care support. While some options may suggest a different number of ADLs, the standard for triggering benefits in tax-qualified policies aligns with the requirement of two, as this threshold ensures that benefits are available to those who genuinely require support for their basic care needs. This standard helps ensure that individuals who face moderate to severe limitations can receive the necessary assistance and care.

8. What qualifies a long-term care policy?

- A. Unable to perform any ADLs**
- B. Unable to perform at least two of the six ADLs or having severe cognitive impairment**
- C. Having a terminal illness diagnosis**
- D. Being over the age of 65**

A long-term care policy typically qualifies an individual based on their inability to perform at least two of the six Activities of Daily Living (ADLs) or if they are experiencing severe cognitive impairment. The six ADLs generally include bathing, dressing, eating, toileting, transferring (moving from place to place), and maintaining continence. When an individual cannot manage at least two of these activities, it often indicates that they require assistance, thus qualifying them for benefits under a long-term care policy. Additionally, severe cognitive impairment, such as that caused by Alzheimer's disease or other forms of dementia, may also qualify an individual for long-term care benefits because it significantly impacts their ability to live independently. Thus, the combination of these criteria serves to determine eligibility for coverage under long-term care policies, ensuring that those who truly need assistance receive the necessary support. The other choices do not capture the essential criteria for qualification. Merely being over the age of 65 or having a terminal illness diagnosis does not in itself indicate a need for long-term care services, and being unable to perform any ADLs is more specific than what long-term care policies typically require to establish eligibility.

9. What is the purpose of the QIO established by CMS in each state?

- A. Promoting health insurance options**
- B. Monitoring and improving the quality of care provided to Medicare beneficiaries**
- C. Managing patient finances**
- D. Administering Medicare supplemental plans**

The purpose of the Quality Improvement Organization (QIO) established by the Centers for Medicare & Medicaid Services (CMS) in each state is to monitor and improve the quality of care provided to Medicare beneficiaries. QIOs play a crucial role in helping healthcare providers enhance their services, ensure that patients receive appropriate care, and ultimately improve health outcomes for individuals enrolled in Medicare. By focusing on quality improvement, QIOs are tasked with various activities such as analyzing performance data, facilitating provider training, and implementing evidence-based practices to bridge gaps in care. This proactive approach aims to elevate the standards of care across facilities and reinforce a commitment to high-quality healthcare for older adults and people with disabilities receiving Medicare. In contrast, promoting health insurance options, managing patient finances, and administering Medicare supplemental plans are not the primary functions of QIOs. While they may influence broader healthcare discussions, these activities fall outside the specific remit of QIOs in their dedicated focus on quality assurance and improvement for Medicare services.

10. How often does Medicare Part A require a deductible for inpatient care?

- A. Per the hospital stay**
- B. Per year**
- C. Per benefit period**
- D. Per month**

Medicare Part A requires a deductible for inpatient care to be paid per benefit period. This means that the deductible is applicable each time a beneficiary is admitted to a hospital and has a new benefit period, rather than annually or monthly. A benefit period begins the first day a beneficiary is admitted as an inpatient and lasts until they have been out of the hospital or skilled nursing facility for 60 consecutive days. Once this period is over, if the beneficiary is admitted again, a new deductible must be met. Understanding the concept of benefit periods is crucial, as it directly affects how much out-of-pocket expense a beneficiary may face when seeking inpatient care. This structure is essential for individuals to navigate their Medicare costs effectively.

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://ncmedicarelongtermcareagent.examzify.com>

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

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