

Types of Health Care Other 11-2 Assignment

Read Section 11-2 in the textbook and answer the following questions.

Questions 7-32: Determine if the following statements are True or False.

- ____ 7. A group health care plan is sold collectively to an entire group of persons rather than individuals.
- ____ 8. Medicare is the only federal health care program currently in place.
- ____ 9. Choosing your Medicare plan through a private company that combines Medicare Parts A and B into one plan called a Medicare Advantage plan can broaden health care benefits.
- ____ 10. Medicare (Part B) requires a monthly premium for coverage.
- ____ 11. Medicare (Part A) covers prescription drugs.
- ____ 12. Medicaid is a health care program for low income individuals.
- ____ 13. The hospitalization portion of Medicare (Part A) requires a monthly premium from the insured.
- ____ 14. Both Medicare Part A and Part B pay 100 percent of covered expenses.
- ____ 15. Health care plan is a generic name for any program that pays for or provides reimbursement for direct health care expenditures.
- ____ 16. Open-enrollment periods are common in group health care plans.
- ____ 17. You can make changes in your group health care plan at any time during the year.
- ____ 18. Health maintenance organizations provide health care rather than health insurance.
- ____ 19. HMOs generally require that your primary care physician must order all procedures and approve referrals to medical specialists.
- ____ 20. Traditional health insurance plans are often referred to as basic indemnity plans.
- ____ 21. Traditional health insurance provides protection against financial loss resulting from the perils of illness and injury.
- ____ 22. The claims procedures for nearly all health care plans include patient payment for the health service with the insurance reimbursing the patient after the appropriate forms are filed.
- ____ 23. HMOs have dollar limits on their coverage.
- ____ 24. A preferred provider organization is a group of health care providers who contract with a health insurance company to provide services at a discount.
- ____ 25. The health benefits provided under Medicaid differ from state to state.
- ____ 26. Medicaid pays for the costs of custodial nursing home care.
- ____ 27. If one is covered by worker's' compensation, he or she probably does not need additional health insurance coverage.
- ____ 28. Workers' compensation covers a full range of health care losses for job-related injuries and illnesses.

- _____ 29. (11-3 section) An HSA is a tax-deductible savings account into which individuals and/or their employers can deposit tax-sheltered funds for use to pay medical bills including the deductibles and other out-of-pocket costs required by a high-deductible plan.
- _____ 30. (11-3 section) An HRA is a tax-deductible savings account into which individuals and/or their employers can deposit tax-sheltered funds for use to pay medical bills including the deductibles and other out-of-pocket costs required by a high-deductible plan.
- _____ 31. A student who has lost group health care coverage under his or her parent's employer group plan due to the parent leaving the job is eligible to continue coverage through COBRA rights.
- _____ 32. Combining a health savings account with a high deductible health care plan is a way to save money on the cost of a health care plan.

Questions 67-92: Determine the best answer.

- _____ 67. Which of the following is a general term used to describe an HMO, health insurance or another plan that pays for or provides reimbursement for direct health care expenditures?
- hospitalization.
 - Medicare.
 - health insurance.
 - a health care plan.
- _____ 68. _____ provide(s) preventative care as well as other types of care for a set monthly fee which is considered to be advance payment for the care received.
- Traditional health insurance
 - Consumer-driven health insurance
 - Health maintenance organization (HMO)
 - Preferred provider organization (PPO)
- _____ 69. Which of the following is not a characteristic of Medicare Part A?
- Available to eligible persons 65 or older
 - Requires monthly premium payments
 - Available to individuals with kidney disorders
 - Provides benefits for hospitalization
- _____ 70. Which of the following is not true of Medicare Part B?
- Is supplementary health care coverage
 - Does not cover outpatient care
 - Requires the payment of monthly premiums
 - Covers doctor office visits
- _____ 71. Medicare Part A
- is a hospitalization program for persons over 65.
 - requires no premiums.
 - provides custodial care in a nursing home.
 - is a hospitalization program for persons over 65 and requires no premiums.
- _____ 72. Medicare Part B covers all of the following except
- outpatient care.
 - doctor office visits.
 - chiropractic services.
 - hospitalization.
- _____ 73. Which of the following government programs is jointly funded by federal and state governments?
- Social Security disability income
 - Medicare
 - Medicaid
 - Veterans Administration hospitals

_____ 74. Health care plans for Medicare eligible people that are purchased through a private company and provide both Medicare Parts A and B coverage are called.

- a. Medicare Advantage Plans
- b. Medicaid Plans
- c. S-CHIP Plans
- d. Medicare Part D Plans

_____ 75. The period of time each year when you can make changes in your selection of health care plans available from your employer is called a(n)

- a. benefit period.
- b. waiting period.
- c. open-enrollment period.
- d. eligibility window.

_____ 76. Open enrollment period requirements are generally waived for such family changes as

- a. births.
- b. adoptions.
- c. marriages.
- d. All of these.

_____ 77. Drawbacks of an HMO include

- a. limited choice of physicians.
- b. no coverage for preventive treatments.
- c. limited availability through group plans.
- d. higher deductibles and copayments compared to other plans.

_____ 78. Preventive health care and catching medical problems early is encouraged by

- a. government health care plans.
- b. health maintenance organizations (HMOs).
- c. preferred provider organizations (PPOs).
- d. private health insurance.

_____ 79. The cost of a health maintenance organization is generally a(n)

- a. monthly fee and coinsurance.
- b. annual premium and a deductible.
- c. monthly premium, deductible, and coinsurance.
- d. monthly fee, a deductible, and copayments.

_____ 80. A group of physicians and hospitals who have banded together to offer a health insurance contract in areas where there is no available HMO is called a

- a. preferred-provider network.
- b. individual practice organization.
- c. cooperative health care group.
- d. provider-sponsored network.

_____ 81. Traditional health insurance plans typically have __ and __ requirements that result in out-of-pocket costs for the insured.

- a. deductibles; coinsurance
- b. Medicare; Medicaid
- c. HMOs; PPOs
- d. POS; PSN

_____ 82. One cannot rely on worker's compensation to cover your health care needs because it

- a. covers only disability income needs.
- b. is too expensive for the average worker to carry.
- c. covers only job-related injuries and illnesses.
- d. is paid out at the discretion of the employer.

_____ 83. Traditional health insurance provides protection against direct medical expenses and, thus, does not cover

- a. injury related health care.
- b. illness related health care.
- c. recuperative medical care resulting from illness or injury.
- d. lost income when you cannot work due to illness or injury.

____ 84. An alternative name for traditional health insurance is a(n)

- a. comprehensive health insurance.
- b. indemnity plan.
- c. fee-for-service plan.
- d. All of these.

____ 85. Eligibility for which of the following is based on household income and net worth?

- a. Social Security Disability Income Insurance
- b. Medicaid
- c. Medicare
- d. Long-term care insurance

____ 86. To qualify as a high-deductible health care plan, the deductible must be at least

- a. \$100
- b. \$1,000
- c. \$5,000
- d. \$10,000

____ 87. (11-3 section) Persons who have a high-deductible health plan can make tax-sheltered deposits into an investment account called a _____ from which they can pay medical expenses.

- a. individual health account
- b. health savings account
- c. tax-sheltered annuity
- d. itemized deduction plan

____ 88. As a result of federal legislation, persons who are no longer part of their group for medical insurance purposes because of being laid off or other reasons must be allowed to continue the group health insurance coverage

- a. for a limited period of time.
- b. at an inexpensive price.
- c. if they are healthy.
- d. if their employer is willing.

____ 89. A person who wants to continue health insurance coverage through your COBRA rights must

- a. apply within 30 days of losing group status.
- b. pay the full premiums plus a 2 percent administrative fee.
- c. agree to pay for the coverage for at least 18 months.
- d. take a six-month waiting period.

____ 90. (11-3 section) In what way(s) can health care costs potentially provide an income tax benefit?

- a. Flexible spending arrangement through an employer
- b. Itemizing deductions for health expenditures
- c. Writing off a portion of premium by self-employed people
- d. All of these.

____ 91. (11-3 section) Gary contributes \$200 a month to a flexible spending arrangement for health care. If Gary is in the 25 percent marginal tax bracket, which of the following is true?

- a. Gary will save \$2,500 in federal income taxes.
- b. Gary will save \$2,400 in taxes.
- c. Gary could write off \$2,400 as an itemized deduction.
- d. Gary will save \$600 in federal income taxes.

____ 92. (11-3 section) The maximum annual deposit into a health savings account is ____ for an individual and ____ for a family.

- a. \$1,000 / \$5,000
- b. \$2,000 / \$5,000
- c. \$3,300 / \$6,550
- d. \$5,000 / \$10,000