

# CACs Practice Test Questions and Answers

## 1. What is a premium tax credit?

- A) A discount on all prescription drugs.
- B) A subsidy for employer-based insurance.
- C) A financial help for Marketplace insurance plans
- D) A tax benefit for healthcare providers.

## 2. What is CHIP and who does it serve?

- A) It serves elderly individuals on Medicare.
- B) It covers undocumented adults.
- C) It offers health coverage to children in moderate-income families
- D) It is only available for college students.

## 3. What is a Cost-Sharing Reduction (CSR)?

- A) A federal subsidy that reduces monthly premiums
- B) A subsidy that lowers out-of-pocket costs like deductibles and copays for eligible consumers
- C) A discount on dental and vision coverage
- D) A tax credit applied after treatment

## 4. What is the primary purpose of Medicaid?

- A) To offer insurance to only retired individuals.
- B) To provide short-term health coverage for travelers.
- C) To help low-income individuals and families with healthcare needs
- D) To replace employer-sponsored insurance.

**Answers: 1-C 2-C 3-B 4-C**

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