

Don't Repeal the CLASS Act

★ Talking Points -- November 2011 ★

The CLASS Act (Community Living Assistance Services and Support Act) is a voluntary, federally administered, consumer-financed insurance plan. It became law when President Obama signed the Patient Protection and Affordable Care Act on March 23, 2010. The CLASS plan provides those who participate with cash to help pay for needed assistance, if they become functionally limited, in a place they call home — from independent living to a nursing facility, if they choose. Recently, Senator John Thune tried to repeal CLASS on the floor of the Senate. The critical Unanimous Consent vote was blocked by Senator Jay Rockefeller, and we must now take this opportunity to move forward with continuing to work on a government program that addresses long term services and supports for the American people.

Facts related to long term care supports, services, and costs for people with a chronic condition, people who have a disability, and people who are aging:

- In 2008, 21 million people had a condition that caused them to need help with their health and personal care.
- Medicare does not cover long-term services and supports (LTSS), yet about 70 percent of people over age 65 will require some type of LTSS at some point during their lifetime.
- As our population ages, the need for these services will only grow. In addition, about 40 percent of the individuals who need LTSS are under age 65 and LTSS can enable individuals to work and be productive citizens.
- Family caregivers provided care valued at \$450 billion in 2009 – more than the total spending on Medicaid that year.
- Too often, the cost of long term services wipes out personal and retirement savings and assets that are often already insufficient – as a result, formerly middle class individuals are forced to rely on Medicaid to pay for the costs of LTSS.

Why should we support the CLASS program?

- Support the CLASS program – it will give millions of working Americans a new option to take personal responsibility and help plan and pay for these essential services.
- CLASS could take some financial pressure off Medicaid at the state and federal levels -- paid for by voluntary premiums, not taxpayer funds.
- Every American family faces the reality that an accident or illness requiring long-term care could devastate them financially.
- The CLASS actuarial report established that CLASS can still be designed to be a “value proposition,” although development work was still needed.
- The actuarial report also noted that federal actuaries “...agreed that certain plans, designed to mitigate the adverse selection risk...can be actuarially sound and attractive to the consumers.”

Why repeal is NOT the answer:

- Rather than repeal CLASS, we urge continued dialogue and development of a viable path forward.
- The need to address LTSS and how these services will be paid for in a way that is affordable to individuals and society as a whole will not go away.
- Families will continue to need a workable LTSS option to protect themselves, and a path forward is essential because the need for these services will only continue to grow.