



October 18, 2011

CLASS Long-Term Care Program Suspended

The Community Living Assistance Services and Supports (CLASS) Act program is a voluntary long-term care program created by the healthcare reform law. CLASS would provide disabled employees a benefit of about \$50 per day for non-medical services to help them remain in their homes and at work. The effective date of the program was delayed from 2011 to 2013 because Health and Human Services (HHS) could not figure out how to make the program solvent for at least 75 years, as required by the healthcare reform law, without charging sky-high premiums. Critics warned that the program -- which provides optional, government-provided, long-term care insurance for some individuals -- is actuarially unworkable and will cause massive budget deficits. HHS Secretary Kathleen Sebelius firmly stated that she will not go forward with CLASS unless it is financially solvent, sustainable and consistent with the statute.

On October 14, 2011, in a letter to House Speaker John Boehner (R-OH), Secretary Sebelius stated HHS will stop implementing the CLASS Act program because of the high premiums necessary to cover the costs of benefits. Employers will be greatly relieved to know that HHS has recognized CLASS is unsustainable and has acknowledged that there is no viable path forward for CLASS implementation at this time.

Conner Strong & Buckelew regularly monitors healthcare reform issues and will continue to publish updates as they become available. If you have questions related to any aspect of healthcare reform, please call your Conner Strong & Buckelew account representative toll-free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).

connerstrong.com

877-861-3220

news@connerstrong.com[Change My Preferences](#)

INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS



