

CLASS ACT

(Information from NAHC Reports)

Providing affordable, high-quality long-term care to the elderly and disabled continues to present formidable challenges to policymakers. Congress is discussing whether to include in health reform new programs to help people pay for home and community-based long-term care services and support.

The "Community Living Assistive Services and Supports (CLASS) Act," has been incorporated into both the House of Representatives' "Affordable Health Care for America Act" ([H.R. 3962](#)) and Senate's "Patient Protection and Affordable Care Act" ([H.R. 3590](#)). Through the CLASS Act's long-term care insurance program, Americans who agree to have a new monthly premium deducted from their paychecks would be eligible after five years for a daily cash benefit to purchase nonmedical long-term care services and supports, with a special focus on home and community-based care, if they become disabled and require assistance with two or more activities of daily living.

Supporters of the program say that it would provide much-needed assistance, while opponents question the formation of a potentially expensive new federal program. Although the CLASS Act program is in both the House and Senate bills, some uncertainty remains regarding its retention in a final health reform bill and additional modifications that might be made to it.

The CLASS Act would significantly expand federal assistance for people in need of long-term care. It would create a federal long-term care insurance program for functionally disabled adults. Financed by voluntary payroll deductions, the program would help individuals obtain non-medical supportive services, enabling them to remain in their homes and communities.

Under the CLASS Act legislation, employed adults would be automatically enrolled, with a choice to opt-out, into a program that would deduct no more than the estimated average of \$65 per month. Furthermore, students or workers below the poverty line would make contributions of merely \$5 per month. Workers would be eligible to receive cash benefits for the purchase of long term care services and supports via a debit card after contributing to the fund for five years. The Congressional Budget Office (CBO) found that the CLASS Act is sustainable over time, and would reduce Medicaid spending and scorable costs by \$58 billion over 10 years.