

HEALTH CARE REFORM AND THE COMMUNITY LIVING ASSISTANCE SERVICES AND SUPPORTS (CLASS) PROGRAM

Today, over 10 million Americans need long-term services and supports to assist them in life's daily activities. The majority of people who need long-term care (LTC) use federally funded programs such as Medicaid and Medicare to pay for these services. Many rely on unpaid family and friends. The CLASS Act creates a national, voluntary insurance program to facilitate community living services and supports.

Rapidly Rising Costs and Community Living Assistance

- Paying for LTC can be financially catastrophic for individuals and families. Nursing home costs average over \$70,000 per year and home health services average \$29 per hour. The CLASS insurance program provides a cash benefit to help pay for this high cost.

Details of the CLASS program

- Cash benefits are based on the degree of disability or impairment. Cash benefits are initially no less than an average of \$50 per day, though the amount is relative to the degree of functional limitation.
- Cash benefits are not subject to any lifetime or aggregate limits.
- Qualified enrollees can use the cash benefit to purchase non-medical, LTC services and supports such as home modifications, assistive technology, accessible transportation, homemaker services, respite care, personal assistant services, home care aids, and nursing support.
- The CLASS program also provides advocacy services, advice, and assistance counseling.
- The Affordable Care Act establishes an infrastructure that addresses the shortfalls in the nation's community living assistance services and supports.

Eligibility

- Employed individuals 18-years-old and older can voluntarily enroll in the CLASS program. This includes the self-employed.
- Eligibility for benefits will be available to individuals who are unable to perform two or more activities of daily living (e.g. eating, bathing, dressing, transferring) and to individuals who have a cognitive disability that requires supervision or hands-on assistance to perform daily activities.
- Employers can choose to participate in the CLASS program. Those who do must automatically enroll eligible employees. If an employer chooses not to participate, an eligible working adult can still enroll in the CLASS program.
- Coverage is available to all enrollees, regardless of pre-existing conditions.

Low Premiums

- Unlike other federally funded programs such as Medicaid or CHIP, the CLASS program is financed through monthly premiums paid by voluntary payroll deductions.
- Premiums vary by age at enrollment. However, once an individual is enrolled in the CLASS program, future premiums do not increase as long as the individual is an active enrollee.
- Individuals below the federal poverty level and employed full-time students ages 18-21 pay a monthly premium of \$5.
- To qualify for benefits individuals must have contributed monthly premiums to the program for at least five years.

CLASS Act and Medicare and Medicaid

- Prior to the Affordable Care Act, most LTC services were funded by public programs, particularly Medicare and Medicaid. Such programs are limited in scope and face increased financial pressure. The CLASS Act addresses gaps in LTC coverage and helps individuals and their families pay for LTC services.
- Eligibility for CLASS program benefits would have no effect on eligibility for Medicare, Medicaid, Social Security retirement, survivors, disability benefits, or Supplemental Security Income benefits.
- If an individual is eligible for both CLASS program benefits and long-term services and supports under Medicaid, CLASS benefits could be used to offset the costs to Medicaid.
- The CLASS Act will save taxpayer dollars by reducing Medicaid costs.