

## White House waffling on long-term care plan?

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(AP) -- The White House appeared to waffle Monday on the fate of a financially troubled long-term care program in President Barack Obama's health overhaul law, as supporters and foes heaped criticism on the administration.

At stake is the CLASS Act, a major new program intended to provide affordable long-term care insurance. Last Friday, Health and Human Services Secretary Kathleen Sebelius said the administration would not proceed with the plan because she has been unable to find a way to make the program financially solvent.

On Monday, the nonpartisan [Congressional Budget Office](#) issued a ruling that cleared the way for repealing the CLASS Act, but the administration rejected that step - and created considerable confusion.

"I feel like somebody just called me about how to do really good pet care after they shot my dog," said Larry Minnix, president of LeadingAge, a [trade group](#) representing non-profit nursing homes, which are strong supporters of CLASS.

Paying for long-term care for a frail, elderly family member is a major financial dilemma for America's middle class. Medicare only covers short-term nursing home stays, for patients in rehab. And to become eligible for Medicaid, people have to spend most of their assets, akin to impoverishing themselves. The Community Living Assistance Services

and Supports program was supposed to help provide an answer.

A long-standing priority of the late Sen. Edward M. Kennedy, it was supposed to function as a self-sustaining voluntary [insurance plan](#), open to working adults regardless of age or health.

Workers would pay an affordable monthly premium during their careers and could collect a modest daily cash benefit of at least \$50 if they became disabled later in life. The money could go for services at home or to help with nursing home bills.

But a central design flaw dogged CLASS. Unless large numbers of healthy people willingly sign up during their working years, soaring premiums driven by the needs of disabled beneficiaries would destabilize it, eventually requiring a taxpayer bailout.

After months insisting that could be fixed, Health and Human Services Secretary [Kathleen Sebelius](#) finally acknowledged Friday she didn't see how.

"Despite our best analytical efforts, I do not see a viable path forward for CLASS implementation at this time," Sebelius said in a letter to congressional leaders.

Officials said they discovered they could not make CLASS both affordable and financially solvent while keeping it a voluntary program open to virtually all workers, as the law required. The law also mandated that the administration certify that CLASS would remain financially solvent for 75 years before it could be put into place.

In its ruling, CBO said repealing CLASS would have no impact on the deficit. Absent a viable program, the government would not see savings of more than \$80 billion from premiums that would have been collected

before the program started paying major benefits.

That ruling removed a major obstacle for repeal, and congressional Republicans vowed to press ahead. The administration balked.

"We do not support repeal," White House spokesman Nick Papas said Monday. "Repealing the CLASS Act isn't necessary or productive. What we should be doing is working together to address the long-term care challenges we face in this country."

He declined to answer if the president would veto a repeal bill.

Republicans said at a time of record deficits, the administration is now in a position of saying it wants to keep alive a program it admits would probably go bust.

"It defies logic for the White House to admit this part of their health spending bill would put an unsustainable burden on taxpayers, yet demand it stay on the books," said Senate Republican Leader Mitch McConnell of Kentucky.

Adding to the uncertainty, a top technical expert who worked on CLASS financing for the administration appeared to contradict the administration's conclusions. Robert Yee, an actuary who specializes in long-range financial planning, said Monday that he had found a possible path forward. Yee's ideas would involve marketing the plan first to healthy people, and also possibly requiring people in poor health to wait longer before they could receive benefits.

It was unclear whether either of those approaches would be acceptable to the coalition of CLASS supporters - or Sebelius and the administration.

Essentially, Yee's ideas called for making CLASS more like private long-

term care insurance. Administration lawyers did not see how that could be done while also abiding by a requirement in the legislation that the program be open to people regardless of their health problems.

But supporters of the program say the administration will pay a political price if it tosses out the long-term care plan. AARP, the seniors lobby, has called the decision by Sebelius premature

"If they said they want to hibernate it for a couple of years, that would be clearer than what they are saying now," said Minnix.

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