



## **The Patient Protection and Affordable Care Act**

### **Community Living Assistance Services and Supports (CLASS)**

#### **The Persistent Long-Term Care Gap**

- ✓ Long-term supports and services are not affordable or accessible for millions of Americans.
- ✓ An estimated 65 percent of those who are 65 today will spend some time at home in need of long-term care services, at an average cost of \$18,000 per year. [*Inquiry*, 2005; Department of Health and Human Services, [10/22/2008](#)]
- ✓ Five million people under age 65 living in the community have long-term care needs and over 70,000 workers with severe disabilities need daily assistance to maintain their jobs and their independence.
- ✓ One and a half million people are in nursing homes today. Roughly 9 million elderly Americans will need help with activities of daily living (ADLs) during the current year, and by 2030 that number will increase to 14 million.
- ✓ Many people who need long term services and supports rely on unpaid family and friends to provide that care, but ultimately are forced to impoverish themselves to qualify for Medicaid, which remains the primary payer for these services.

#### **How the CLASS Program Works**

- ✓ The CLASS Act will provide a lifetime cash benefit that offers people with disabilities some protection against the costs of paying for long term services and supports, and helps them remain in their homes and communities.
- ✓ CLASS is a voluntary, self-funded, insurance program with enrollment for people who are currently employed. Affordable premiums will be paid through payroll deductions if an individual's employer decides to participate in the program. Participation by workers is entirely voluntary.
- ✓ Self-employed people or those whose employers do not offer the benefit will also be able to join the CLASS program through a government payment mechanism.
- ✓ Individuals qualify to receive benefits when they need help with certain activities of daily living, have paid premiums for five years, and have worked at least three of those five years.
- ✓ Beneficiaries receive a lifetime cash benefit based on the degree of impairment, which is expected to average roughly \$75 a day or more than \$27,000 per year.
- ✓ Benefits can be used to maintain independence at home or in the community, and should be sufficient to cover typical costs of home care services or adult day care.
- ✓ Benefits also can be used to offset the costs of assistive living and nursing home care.

#### **How the Improved Version of the CLASS Act Protects Taxpayers**

- ✓ All CLASS Act benefits are paid by voluntary participants, not taxpayers.
- ✓ CLASS actually will save taxpayer dollars by reducing Medicaid costs.
- ✓ CLASS premiums must be set at a level sufficient to guarantee actuarial soundness.
- ✓ The current CLASS Act includes significant improvements over earlier versions, such as tighter eligibility standards, a new reserve requirement, and an absolute prohibition on the use of taxpayer dollars to pay benefits.
- ✓ The Congressional Budget Office determined that the improved program is actuarially sound.