



October 17, 2011

Not a Class Act

Making the rounds Friday night was the memorandum linked below detailing the reasons why the White House will not implement the Class Act. The Class Act was enacted as part of the Affordable Care Act, and was designed to establish a voluntary, national insurance program to help pay for long-term care services. By statute, Class benefits must be funded entirely through enrollee premiums without a taxpayer subsidy. Unfortunately, the Affordable Care Act also set forth various enrollment and benefit rules which fostered adverse selection. Ultimately, HHS decided that if it implemented the program as is, it would be financially unstable and ultimately requiring a taxpayer bailout. For this reason, HHS decided not to implement the program. At the same time, many in Congress have also sought to repeal the Class Act. Both the memorandum and 48-page report can be accessed at the following site.

<http://www.hhs.gov/secretary/letter10142011.html>