



## **Relief for Family Caregivers: SUMMARY OF THE CLASS PROVISION, 2010 National Health Insurance Reform Bill**

The **Community Living Assistance and Support Section (CLASS)** is the little known provision in the recently passed national health insurance bill, The Patient Protection and Affordable Care Act, signed into law March 23 of this year that will probably mean the most to family caregivers. For many family caregivers, CLASS will mean the difference between having to choose between going to work and being able to stay home with a parent, spouse, child or other loved one. For many chronically ill people, CLASS will mean the difference between being able to continue living in their own surroundings, semi-dependently with some part-time assistance, or going into a facility.

CLASS is long-term health care insurance. Long-term care basically means, help with the activities of daily living, such as bathing, dressing, eating, using the toilet, and mobility, such as getting in and out of bed or walking. The CLASS plan provides pay for needed in-home care, if you become functional limited; in any place you call your home.

Of the 10 million Americans who need long-term care, about 60 percent are over 65 so the new law was drafted to benefit those both old and young who become disabled. If you are making enough money to pay Social Security taxes, you will automatically be enrolled. However, you can “opt-out” and not enroll if you prefer.

One of the biggest problems in understanding homecare is that most Americans still think Medicare or their medical insurance covers the cost of in-home, long-term care. **It does not.** You have to pay for your own long-term care, either by using your savings, or through long-term care

insurance, or a combination of these. There are some other avenues that may provide money to help. The most notable being the Veteran's Administration Aid & Attendance Benefit. However, it is only available to those who have served in the military and meet the complex criteria of certain income/asset/and debt ratios set by the VA. Eighty per-cent of the time, the family ends up being the unpaid caregivers of loved ones who develop devastating, long-term, debilitating health problems.

Most of the ten million Americans who have long-term care insurance, bought it because they've seen friends or family go through their savings and assets for homecare, which, although expensive, is still substantially cheaper and much more desirable than institutionalization. The CLASS Act is the greatest hope for family caregivers battling the financial hardships of managing and providing for chronic care.





### ***Who will be eligible?***

Anyone who is age 18 and older and is actively working, either full or part time, and those who are self-employed, can enroll in the CLASS Act regardless of their health history as long as they are not living in a nursing home or other institution. People cannot be excluded from enrolling due to pre-existing conditions such as having a physical disability or other health issue.

Enrollees with severe diabetes or crippling arthritis will pay the same amount for the CLASS Act benefit as those who are in perfect health. Those who earn less than the federal poverty level will be automatically enrolled in the CLASS Act through Medicaid for a special very low monthly fee unless they specifically request to be excluded from the coverage.

### ***How will CLASS work?***

When you need homecare, you will receive, on average, \$50 a day to pay for caregiving. In most cases, that is approximately 4 hours a day for someone to come to your home, help you get out of bed, maybe make a meal, and help you dress. Although it may not seem like much, these four hours could be the difference between going to a nursing home and being able to continue living in your own surroundings among family and friends.

The government basically will give the long-term care payment check directly to you, which you then can spend as you determine best. You can even hire a family member, which could be very helpful to some family budgets because often a spouse or adult child currently has to choose between caring for a loved one and holding a job.

### ***How will people enroll?***

For people working for an employer, enrollment will be automatic, with premiums handled through payroll deduction like many other benefits. Any person who chooses not to participate may do so by "opting out." Neither employees nor employers are required to participate in the program. Employers may pay all or part of the premiums but are not required to pay any specific portion. Under the new law, The Secretary of Health and Human Services will develop enrollment procedures for those who are self-employed or whose employer chooses not to participate in the automatic payroll plan.

### ***What are the benefits?***

The plan will pay a cash benefit, no less on average than \$50/day. The benefit cash amount will be tied to an assessment of a person's need for help due to a physical or cognitive limitation. A benefit payment scale to be developed by the Secretary of Health and Human Services, will award higher cash benefits to people with greater needs. The cash benefit amount will increase annually to keep up with inflation. There is no lifetime limit on the benefits. When a CLASS Act plan participant has a qualifying level of disability and begins receiving cash benefits those benefits continue until the person no longer has a qualifying level of disability. Over a lifetime, a person could have several separate instances of qualifying for benefits.

### ***What is a “qualifying level of disability”?***

A loss of the ability to perform 2 activities of daily living or a possibly yet-to-be-determined more stringent 3 activities of daily living formula, will serve as the minimum level of disability to qualify for benefits. In either case, the level of disability would need to be expected to continue for at least 90 days to count as a qualifying level of disability for the CLASS Act plan.

### ***What will the premiums cost?***

As Congress debated the version of the CLASS Act that is now law, the non-partisan Congressional Budget Office (CBO) provided estimates regarding average premium cost. They estimated premiums would be approximately \$123/month, lower for younger people, higher for older people and a separate very low fee for students and those enrolling through Medicaid, expected to be around \$5.00 a month. Differences in premium cost will occur depending upon age at the time of enrollment.

Premiums are intended to remain the same for a person from the time the person signs up—there is no automatic increase in an individual's premiums. People with health issues or a disability may not be charged higher premiums because of those factors.

### ***When does it take effect?***

Most provisions of the CLASS Act take effect January 1, 2011. However, the law requires the Secretary of Health and Human Services to develop a financially sound program with the best mix of benefits, premiums, and other features to meet the needs of the people and assure program solvency. Setting the right premium prices requires additional detailed actuarial analyses, using the most up-to-date information and a scientific, transparent process. The Secretary will work with an advisory council, including consumer representatives and technical experts, to develop details. Details of the plan must be released no later than Oct. 1, 2012. Enrollment should begin shortly thereafter.