CLASS Act Implementation Suspended by the Obama Administration

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The Secretary of Health and Human Services, Kathleen Sebelius, released a report to Congress October 14th regarding its analysis of the CLASS Act-the long term care program passed as part of the Affordable Care Act (ACA). In a letter sent with the report, Sebelius announced the Administration has decided not to move forward with the implementation of the CLASS program.

In the letter Sebelius states, "In 2009, the actuary at [CMS] released a report to Congress…that raised concerns about the (CLASS) program's viability. Because of such concerns, the law passed by Congress required me to design a plan that would be actuarially sound and financially solvent for at least 75 years." HHS has concluded that it cannot certify the plan's long term financial viability as currently structured. As a result of this decision, for all practical purposes, the CLASS Act is dead.

The Secretary's letter can be read in its entirety at http://www.hhs.gov/secretary/letter10142011.html