

CLASS Dismissed

**By Reg P. Wydeven
October 22, 2011**

A huge part of my practice involves elder law. I really enjoy working with seniors, and one of the reasons why is because of their endless supply of jokes.

One classic I heard the other day involved three health care administrators who died and went to heaven, where they were met at the Pearly Gates by St. Peter. To the first, he asked, "What did you do on Earth and why should you go to heaven?" She replied, "I oversaw a hospital and ensured that we provided our patients with the best of treatment." St. Peter said, "Very noble. You may enter."

To the next, he asked the same question. The man answered, "I ran a nursing home and cared for our elderly residents with dignity and respect." St. Peter responded, "How touching. You too may enter."

St. Peter then questioned the last administrator. She stated that she ran Medicare. St. Peter thought for a moment and then finally said, "Okay, you may enter also." The administrator exclaimed, "Whew! For a moment there, I thought you weren't going to let me in." St. Peter replied, "Oh, you can come in, but you can only stay for three days..."

Most jokes are funny because they have a hint of truth to them. Medicare is a vital benefit for our seniors, however, like most government programs, it is underfunded. Accordingly, administrators have to watch every penny and withhold treatment when it is not required, even if we still feel our family member needs the treatment.

President Obama tried to address the problem of health care costs continuing to rise while public funding for health care is shrinking. As part of his healthcare reform bill, Obama introduced the Community Living Assistance Services and Supports program, or CLASS.

CLASS was intended to create a voluntary insurance plan for working adults, regardless of their age or health. Similar to Social Security, employees would pay an affordable premium of about \$100 a month during their working years that would provide them with a modest benefit of no less than \$50 a day if they became disabled later in life. The funds could be used for in-home health care costs or for assisted living or nursing home bills.

The late Senator Edward Kennedy fought hard for the passage of the CLASS program. Kennedy's goal was to furnish financial assistance for health care to families that couldn't afford in-home health care or a stay in a long-term care facility. Unfortunately, Kennedy's dream may have died with him.

Officials in Obama's administration announced last week that CLASS will be canceled because the program has critical design flaws that can't be fixed to make it financially self-sustaining. Kathleen Sebelius, Secretary of the Department of Health and Human Services, wrote a letter to Congress informing them that she does not see a viable path for the program at this time. The law required that CLASS could only be implemented if Sebelius certified it as financially sound.

Sebelius pointed out that no taxpayer dollars were to be used to fund CLASS, as it was designed to be a voluntary program supported by participants' premiums. Therefore, to ensure its success, the government needed more "healthy" employees to sign up to offset those who would utilize the benefit. If not enough healthy employees participated, soaring premiums driven by the needs of disabled beneficiaries would destabilize CLASS, eventually requiring a taxpayer bailout.

When asked whether CLASS could be resurrected, Obama purportedly replied, "It's just like when you ask a 99-year-old man if he wears boxers or briefs: he says, 'Depends.'"

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