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## REPUBLICANS TO HHS: WHAT DID YOU DO WITH THE CLASS OFFICE?

LifeHealthPRO

WASHINGTON BUREAU – Sept. 26, 2011: Congressional Republicans are demanding that the Obama administration clarify what it is doing about implementation - or non-implementation - of the Community Living Assistance Services and Supports (CLASS) Act long term care (LTC) insurance program.

Republicans in the House and the Senate have written to the U.S. Health and Human Services Secretary Kathleen Sebelius to get the details behind reports that the CLASS Act implementation office has been shut down.

The lawmakers have asked a total of 24 questions, and they are demanding that Kathleen Sebelius answer by Oct. 6.



"These developments raise important questions about the future of the CLASS program as well as whether the public has been fully informed about the administration's views on this costly program," the lawmakers say in the letter. "The public has a right to know what is happening to this office, whether HHS intends to implement the CLASS program, and, if so, who is going to do the work."

The list of lawmakers signing the letter includes House Oversight Committee Chairman Darrell Issa, R-Calif. and House Energy and Commerce Committee Chairman Fred Upton, R-Mich. The list also includes Sens. Jeff Sessions, R-Ala., and John Thune, R-S.D.

The lawmakers sent the letter after reports surfaced that HHS told the 8 staffers in the CLASS implementation office that they would be reassigned as of Sept. 22.

The Obama administration had asked for \$120 million for CLASS program implementation, but the Senate Appropriations Committee has passed a bill zeroing out any funding for CLASS Act implementation.

Erin Shields, an HHS official, has denied that the office is closing. "We are continuing our analysis of this program," Shields says.

The CLASS provision of PPACA fulfilled an ambition of the late Sen. Edward Kennedy to create a federal LTC benefits program. The provision is supposed to create a voluntary LTC program supported by worker premiums. Critics have argued that the promised daily benefit is too small to do much good and that, because the program is supposed to be voluntary, it likely would lead to high-cost enrollees, triggering an ever-escalating death spiral of higher claims costs and higher premiums.

The CLASS Act provision in PPACA calls for the program to collect premiums for 5 years before paying any claims.

"The accumulated evidence about CLASS' deficiencies indicates that it was primarily included in the PPACA because doing so improved the legislation's estimated impact on the deficit," the Republican lawmakers say in their letter. "Therefore, while both Congressional Budget Office and the Centers for Medicare and Medicaid Services have estimated that CLASS will exacerbate future budget deficits, in the short-term initial budget window CLASS' revenues will exceed its liabilities."



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The Republican lawmakers say they want to know details about how many people are working on implementing the CLASS Act, and specifics on each individual and those individuals' jobs.

"Is HHS planning to reorganize the CLASS Act office as part of the Office of the Assistant Secretary for Planning and Evaluation?" the lawmakers so.

If so, "why is HHS moving this program to a division that has already called CLASS a 'recipe for disaster'?" the lawmakers ask.

The lawmakers also ask whether HHS plans to implement the program, "or does this reassignment of employees in the HHS Administration on Aging Department, indicate that the Class Act will not be implemented?"