

Health Care Reform's CLASS Act

So what exactly is the Community Living Assistance Services and Supports Act (known as CLASS)?

The idea behind this legislation is to make long term care type services available to all Americans in need. The specific wording is as follows:

Stated Purpose of the Bill (Section 3201)

"The purpose of this title is to establish a national voluntary insurance program for purchasing community living assistance services and supports in order to—

"(1) provide individuals with functional limitations with tools that will allow them to maintain their personal and financial independence and live in the community through a new financing strategy for community living assistance

services and supports;

"(2) establish an infrastructure that will help address the nation's community living assistance services and supports needs;

"(3) alleviate burdens on family caregivers;

"(4) address institutional bias by providing a financing mechanism that supports personal choice and independence to live in the community."

If passed, CLASS will most likely be a program that will be offered to working people ages 18 and over who will have to choose to opt out if they do not want it.

BROKER WORLD invited several individuals who specialize in the long term care insurance business to say a few words about CLASS.



D. Corey Rieck,
MBA, CLTC
President
LTCcompass

CCLASS (Community Living Assistance Services and Support) I, introduced by the late Senator Edward Kennedy, would essentially establish a national long term care program that would, in theory, payroll deduct the premiums for its participants.

The version that has largely been discussed would pay roughly \$50-\$75

a day in cash benefits. The folks utilizing these services under this plan would largely be able to use the benefits in the same continuum of care, services and housing that are available with current plans sold by insurance carriers.

We are in the business of education. That said, how will this affect us? What it may do is afford us the opportunity to educate clients further on what is involved with purchasing a financial instrument such as long term care insurance from the government versus purchasing it from one of the major long term care players in the market today.

If the ceiling of the benefit is \$75 a day, will that help secure the kind of care your

clients desire? Certainly there is a great opportunity to talk about the cost of living as it relates to geography by utilizing one of the carrier surveys that discusses costs as they pertain to assisted living, nursing homes, adult day care, etc. Your clients will want to understand if the CLASS program will fully fund their care needs.

This is yet another in a succession of examples that further demonstrate the government's position on funding custodial care; and that is—we have a better chance of seeing Elvis than we have for the government to pay for our custodial care.

Over the years we've all seen the

reform that has taken place with Medicare and Medicaid. We've seen the impact of implementing the Partnership programs as a result of the Deficit Reduction Act. CLASS may prove to be a great opportunity to educate clients on yet another government message on the long term care issue.

It could be a significant step in the right direction. After all, there are numerous messages that have been sent by the Federal Government that basically tell us we are responsible for our own custodial

care, and our choice is to pay for it with our principal, or with interest from our principal, i.e., a well-planned-out long term care plan.

We may be in a position to really help clients further once we educate them on whether the CLASS plan will secure the kind of care they wish to have when they need it—if and when it becomes available. [CR]

Corey Rieck is the president, founder and partner of LTCcompass, a division of the World

Insurance Association that focuses exclusively on long term care education and enrollments for consumers, agents, business owners and companies. Rieck also serves as the national director of long term care operations for the World Insurance Association, a master general agent that provides insurance products, training and marketing support for agents nationwide.

Rieck can be reached at LTCcompass, One Lakeside Commons, 990 Hammond Drive, Suite 200, Atlanta, GA 30328. Telephone: 678-990-3664. Email: dcrieck@ltcompass.com.