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## The New Old Age

Caring and Coping

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### A New Long-Term Care Insurance Program

By [PAULA SPAN](#)

John Moore/Getty Images A registered nurse, Susan Eager, left, helps Jane Awise, who suffers from severe diabetes, during a home health care visit in February in Thornton, Colo. A new government-run insurance program will help participants pay for long-term care.

I've read so little about the Class Act in recent weeks that when President Obama signed the health care bill yesterday, surrounded by a gaggle of happy Democrats, I had to call the [National Council on Aging](#) to reassure myself that yes, this often overlooked but potentially transformational program remained part of the package.

"It's the law of the land as of this moment," said the council's president, James P.

Firman, still sounding a bit dazed by the whole drama. "And there's nothing in the reconciliation bill about it, no language in there at all. It's the law, and it's not going away."

Wow.

Most families pay scant attention to how they're going to pay for long-term care for their elders — whether they will need help with bathing and dressing or meal preparation and medication reminders, whether they will need help at home or in a facility — until they're face to face with the problem. Many times, surveys show, families mistakenly believe that Medicare will foot the bill. When they realize that virtually any nonmedical help beyond their own uncompensated efforts must come from their parents' pockets, or their own, they're prone to panic.

Yes, there is private long-term care insurance, but fewer than 10 percent of older adults have bought such policies, partly because the premiums are high and partly because they fear that insurance companies may not be around to pay benefits decades hence.

Yes, there is Medicaid, but as one expert said when I [first wrote about the Class Act, short for the Community Living Assistance Services and Supports Act, in July](#), "You have to be half-dead and really poor to qualify." Even then, Medicaid pours most of its dollars into nursing homes, thus encouraging the use of institutions nobody wants to occupy and shortchanging the home and community services everybody would prefer.

And yes, families do provide care, billions of dollars worth each year, if one tried to put a price on it. But family caregivers also hold jobs, have minor children and wear out.

The Class Act, a legacy of Senator Edward M. Kennedy, the Massachusetts Democrat whose widow and son were present to see the president sign it into law, sets up a voluntary government-run long-term care insurance program available through employers. Those who participate will pay monthly premiums. After five years, they'll be covered and can receive benefits if they need care — whether they are 20-somethings in snowboard accidents or 80-somethings with Parkinson's disease.

The program is not designed to pay the entire cost of long-term care, which can reach horrifying levels, but it will provide substantial help. And because participants will receive cash — \$50 a day or more, depending on how disabled they are — they can buy the kind of assistance that makes sense to them. One person may choose to retrofit his home so he can remain there; another may hire a home care aide or a family member who wants to help but can't afford to forgo income. People can use their Class benefits for assistive devices, adult day programs, assisted living or nursing homes.

"It will, by law, be actuarially sound for 75 years, something people don't get from private insurers," Mr. Firman said.

And it's scheduled to take effect in January. Nine months isn't a long time for administrators to figure out a lot of complex matters, including eligibility requirements, premiums and a mechanism that allows people to purchase insurance if they're self-employed or if their employers decline to participate.

One of the biggest unknowns, Mr. Firman pointed out, is how many people will take advantage of the Class Act — especially since most workers have not heard much about it yet. "You have to have enough healthy people in the pool to make this work," he cautioned. Otherwise, premiums could rise too high to be attractive or practical.

It may help that the act was designed to cover everyone except those who specifically opt out. Participation rates are higher for such programs than for those you have to opt into. Inertia helps, in this case.

But once the message gets out, Mr. Firman said, Americans will see the benefits of helping to fund their own future care. Some of us in our 60s or 70s will be able to take advantage of the act if we can put in five more years on the job. But the real beneficiaries will be our children and their children.

"Long-term care is a big worry for people," Mr. Firman said. "People will say, 'Here's a solution I can trust, so I'm not going to opt out.' We think there will be a great deal of relief."

*Paula Span is the author of "When the Time Comes: Families With Aging Parents Share Their Struggles and Solutions."*

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