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Obama Pulls Plug on Part of Health Overhaul Law

By THE ASSOCIATED PRESS

WASHINGTON (AP) — The Obama administration says it is unable to go forward with a major program in the president's signature [health care overhaul](#) law — a new long-term care insurance plan.

Officials said Friday the long-term care program has critical design flaws that can't be fixed to make it financially self-sustaining.

Health and Human Services Secretary Kathleen Sebelius told Congress in a letter that she does not see a viable path forward at this time. By law, implementation of the program was contingent on Sebelius certifying it financially sound.

The program was supposed to be a voluntary insurance plan for working adults regardless of age or health. Workers would pay an affordable monthly premium during their careers, and could collect a modest daily cash benefit if they became disabled later in life.

The problem all along has been how to ensure enough healthy people would sign up.

A longstanding priority of the late Sen. Edward M. Kennedy, D-Mass., the Community Living Assistance Services and Supports program, or CLASS, was spliced into the health care law despite nagging budget worries.

CLASS was intended as a voluntary plan, supported by premiums, not taxpayer dollars. Workers would pay around \$100 a month or less. In exchange, they would receive a modest daily cash benefit averaging no less than \$50 if they became disabled later in life. Beneficiaries could use the money for services to help them stay at home, or to help with nursing home bills.

Kennedy's idea was to give families some financial breathing room. The burden of long-term care is growing. Most families cannot afford to hire a home health aide for a frail elder, let alone pay nursing home bills. Long-term care is usually provided by family members, often a spouse who may also have health problems.

But a central design flaw dogged CLASS from the beginning. Unless large numbers of healthy people willingly sign up during their working years, soaring premiums driven by the needs of disabled beneficiaries would destabilize it, eventually requiring a taxpayer bailout.

It's unclear whether the program can be salvaged. Congressional Republicans are committed to repealing it.