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Options Expand for Affordable Long-Term Care

By PAULA SPAN

More than most 41-year-olds, Elizabeth Priaulx thinks about her eventual need for long-term care. A lawyer in Washington, she has coped well with [cerebral palsy](#) since childhood, but has lately developed painful [arthritis](#) as a consequence of the disease.

“It’s begun to impact my life,” she said. “It’s hard to bend over. It’s hard to get in and out of a chair. As soon as I get out of bed, I’m in pain.”

So Ms. Priaulx has been paying close attention to a little-remarked but potentially transformational provision of the health care bill [President Obama](#) signed last week.

The Class Act, a legacy of Senator [Edward M. Kennedy](#) (whose widow and son were on hand for the signing), sets up the first national government-run long-term care insurance program, which will be offered primarily through employers.

Long-term care means help with the so-called activities of daily living — like bathing, dressing, getting in and out of bed and using a toilet — for those, old or young, who become disabled. More than 10 million Americans need long-term care, nearly 60 percent of them 65 or older, [Georgetown University](#) researchers reported in 2007. But few are prepared for the expense.

Last year, realizing that she might need help before many years pass, Ms. Priaulx logged onto a long-term care insurance Web site, plugged in her age and health information — Ms. Priaulx also takes [antidepressants](#) and has developed a [seizure disorder](#) — and came up with a discouraging price quote: her premium would be \$1,700 a month.

Even if she could pay that amount, she doubts any private insurer would approve her application for coverage. “With a history of cerebral palsy, mental illness, [seizures](#), I think I’d be denied,” she said.

The Class Act does not require screening of applicants for health problems, so people who might not qualify for private long-term care insurance can enroll. Participants will pay monthly premiums; after a five-year vesting period, they receive benefits if they need care, whether they are 28-year-olds hurt in snowboard accidents or 88-year-olds with [Parkinson’s disease](#).

The program is not designed to pay the entire cost of long-term care, which can be staggering, but it could nevertheless provide substantial help with the burden. And because beneficiaries will receive cash — the projected minimum average is \$50 a day, depending on how disabled they are — they can choose the kind of assistance that best suits their needs: several hours’ daily help from a home care aide (including a family member or a neighbor), participation in an adult day program, adaptations to their own homes, or a move to assisted living or a nursing home, though advocates argue that the program will help the disabled stay in their homes.

Ms. Priaulx plans to sign up. Actually, she won’t have to: the new program is a benefit that employees will have to opt out of if they don’t want it.

“A program like this allows people to plan for eventualities nobody wants to think about,” she said. “But I’ve had to think about them all my life.”

The private insurance industry, which lobbied energetically but unsuccessfully to strip the Class Act from the health care bill, continues to condemn it as actuarially unsound. “This is a flawed plan that’s not going to work,” said Jesse Slome, executive director of the [American Association for Long-Term Care Insurance](#).

Mr. Slome said he expected people with existing health problems to sign up in droves, paying premiums set too low to sustain the program. “Inevitably, Class will morph into an entitlement program that’s a mandatory tax on all individuals,” he said. He calls it “[Medicare Part E](#).”

Advocates for the elderly and the disabled are celebrating. “Ten years from now, millions of Americans will be self-insuring for disabling conditions so they can stay where they want to be,” said William L. Minnix Jr., president of the [American Association of Homes and Services for the Aging](#). “And studies will be showing a positive impact on [Medicaid](#), which is crumbling before our eyes.”

The law — “Class” stands for Community Living Assistance Services and Supports — authorizes the secretary of Health and Human Services to establish such all-important details as the new program’s eligibility requirements and premiums, and to devise mechanisms to include the self-employed and those whose employers decline to participate. Even the timing appears unclear.

A central question, said James P. Firman, president of the National Council on Aging, is how many people will take advantage of the program. “You have to have enough healthy people in the pool to make this work,” he said. Otherwise, premiums could rise too high to be attractive or practical.

“Long-term care is a big worry for people,” Mr. Firman said. “We think there will be a great deal of relief.”

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