



Overview

What is CLASS?

- The Community Living Assistance Services and Supports (CLASS) program is a national, voluntary insurance program that will provide cash benefits to qualifying individuals with disabilities that limit their day-to-day living in their home.
- CLASS funds can be used to help pay for non-medical services and support and can also be used to pay part of the cost of assisted living or nursing home care.
- CLASS will work in conjunction with other long-term services and support programs such as Medicaid.

Who pays?

- No taxpayer funds will be used for payment of CLASS benefits. The program is solely financed by premiums paid by individual enrollees.

When does it go into effect?

- The CLASS program technically goes into effect January 1, 2011. However, as the details of the plan are not required to be developed until Oct. 1, 2012, it is likely that enrollment will start in 2012 or 2013.
- Participants cannot draw benefits until they have been paying premiums for 5 years.

Enrollment

- Working adults will make voluntary payroll deduction premium contributions through their employer unless they decide to opt out of the CLASS program. Self employed individuals or those whose employers do not offer the CLASS program will be able to join CLASS through alternative enrollment mechanisms.
- While individuals can elect to leave the program at any time, that election will only become effective during an annual disenrollment period.

Eligibility

Who qualifies?

- The CLASS program will be open to all adults, 18 and older, who are 'actively at work' and who are not living at the time in a nursing home (or other institution).
- Individuals will be eligible for CLASS regardless of age or health status. Premium levels will not be tied to health status.
- The 'actively-at-work' requirement includes part-time workers and those who are self-employed. The Secretary of Health and Human Services will develop the details of the actively-at-work requirement.
- Individuals who have earned wages and/or self-employment income equivalent to at least one quarter coverage (according to Social Security requirements) in at least 3 calendar years within the first 60 months for which the individual has paid a premium will qualify for CLASS benefits.

What health conditions qualify?

- Eligibility for CLASS benefits is limited to adults with functional limitations, and adults with equivalent cognitive impairments (as defined by the Secretary).
- Eligibility for benefits will be limited to individuals who are unable to perform two or more activities for daily living—or ADLs—(e.g. eating, toileting, bathing, dressing, transferring), or individuals who have an equivalent cognitive disability that requires supervision or hands-on assistance to perform those activities (e.g. traumatic brain injury, Alzheimer's disease, multiple sclerosis, mental retardation).
- At a minimum, the qualifying functional limitation must be expected to last for a continuous period of more than 90 days as certified by a licensed health care practitioner. (The Secretary of will develop additional details for determining eligibility).

Eligibility (continued)

- Institutionalized individuals are not eligible for CLASS. However, a participant in the CLASS program who enrolled while not in an institution may use CLASS benefits to pay for—for example—nursing home care if that person ultimately moves to an institution.

When are benefits paid?

- The CLASS program will provide a lifetime benefit as long as an individual meets eligibility criteria.
- Individuals will be able to request an analysis of benefit which will be followed by an assessment process to determine whether benefits are payable, the degree of impairment that exists, and the amount of benefit that will be paid. Periodic recertification for continued benefits will occur.

Coordination with Medicaid and other benefits

- Eligibility for CLASS program benefits will have no effect on eligibility for Medicaid, Medicare, Social Security retirement, survivors, disability benefits or Supplemental Security Income (SSI) benefits.
- If an individual is eligible for both CLASS program benefits and long-term services and supports under Medicaid, CLASS benefits will be used to offset the costs of Medicaid. CLASS will generally be the primary payer.

Spouses and dependents

- CLASS benefits do not include spouses or dependents. Spouses must pay into the program and meet all eligibility requirements individually.

Benefits

How can benefits be used?

Cash payments through CLASS may be used to purchase nonmedical services and supports needed to help an individual remain living in their home. This can include (but is not limited to):

- accessible transportation
- adaptive aids
- medical supplies
- adult day care
- assistive technology
- case management
- home health care
- homemaking services
- minor home modifications
- nursing services
- occupational therapy
- personal assistance services
- physical therapy
- psychological and behavioral support services
- rehabilitation
- respite care
- specialized therapies
- speech pathology

Benefit levels

- Benefits will vary based on degree of disability or impairment, yet are expected to average \$75 per day or roughly \$27,000 per year. Average benefits cannot be lower than \$50 per day (\$18,250 per year).
- A benefit payment scale, to be developed by the Secretary, will result in higher cash benefits for people with greater need. This scale may have no less than 2 and no more than 6 different benefit levels.
- Benefit payments will increase annually based on changes to the Consumer Price Index.

Care counseling

- CLASS benefits can also be used for counseling services for assistance in choosing care and care providers, and for making decisions about accepting or rejecting care.

Assisted living

- Individuals who move into assisted living facilities or nursing homes can use CLASS benefits to offset the cost of those expenses. (CLASS is designed to offset the costs of assisted living, not cover all expenses.)

Advisory council

- An advisory council will be appointed by the President to assist the Secretary with benefit design.

Premiums

General

- Premiums will vary by age at enrollment (i.e., those who are older when they enroll will likely pay higher premiums).
- Premiums for new enrollees will increase with inflation. After enrollment, premiums are locked-in. They will only increase if an individual drops out and re-enrolls, if an individual no longer meets student or low-income status criteria, or if it is necessary to maintain program solvency.
- Premium payments will be placed into a “Life Independence Account” on behalf of each eligible beneficiary and federally administered by the Department of Health and Human Services (HHS) as a new insurance program.

Limits for income/age

- Premiums for individuals with incomes below the federal poverty line and full-time students under the age of 22 will be limited to \$5 per month.

Program solvency

- Monthly premium amounts will be determined by the Secretary in order to maintain a 75-year program solvency.
- Enrollees over 65 who are no longer working and who have been in the program for at least 20 years are exempt from a solvency-related increase.

Lapses in coverage

- For a lapse of between three months and five years, premiums will be recalculated (age-adjusted) at re-enrollment. Prior months of enrollment are credited toward meeting the five-year vesting requirement. If enrollment lapses five years or more, premiums are recalculated based on age, there is a re-enrollment penalty, and all prior payment credits for meeting the vesting period are lost.

For more information on health care reform, visit washington.mcc.org

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