

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on “CLASS Cancelled: An Unsustainable Program and Its Consequences
for the Nation’s Deficit”
Joint Subcommittee on Health and Subcommittee on Oversight and Investigations
October 26, 2011

Well the Republicans are gleeful and they’re happy to admit that. If they’re gleeful, it’s because they want to repeal the Affordable Care Act and this particular provision, which attempts to deal with the issues of long term care. A lot of people around the country don’t realize that if they have health insurance, even Medicare, it doesn’t pay for their assistance when they need what’s called long term care. And if they repeal the CLASS Act, they will have the following status quo continued:

- Right now, over 10 million Americans are in need of some form of long term care; this number is expected to increase to 15 million by 2020.
- Seven in 10 people in the country will need help with basic daily living activities at some point in their lives because of a functional disability.
- The cost of long-term care is astronomical. The average nursing home bill currently stands in excess of \$70,000 a year. Monthly charges for home health services average out at \$1800.
- Private health insurance, which my Republican colleague says is a way to solve the problem, is often too expensive or difficult to purchase. As a result, less than 10% of the population holds these policies.
- By far and away, the largest driver of Medicaid spending is long term care. In fiscal year 2010 alone, the combined federal and state price tag for these services was some \$120 billion. That’s a publically financed program. So the Republicans would allow this program, that’s publically financed, to be the only hope for seniors who can’t afford a policy to cover them for their long term care needs.

They started off this year by saying, “We want to repeal the Affordable Care Act and then we will replace it.” We’ve never heard what their replacement is. They have no idea how to deal with this problem, only to tear down the attempts to make the problem more manageable for the millions of Americans who face the dilemma of how to pay for their long term care or the long term care costs of their families.

Well, it is for this problem that Congressman Pallone and Congressman Dingell, with Senator Kennedy, worked to establish an effort to meet the long term care needs of our elderly and disabled citizens and their families, as well as to provide fiscal relief to the Medicaid problem.

The Community Living Assistance Services and Supports Initiative, the CLASS Program, was made part of the Affordable Care Act. This represented the first real attempt at the national level to tackle the country’s long term care puzzle – which has eluded us for decades because of its complexity and expensive price tag.

We should not lose sight of all of this even as the program struggles to get off the ground.

No doubt the CLASS Program is not crafted perfectly – no piece of legislation is, especially one that is as novel and unique as CLASS. Everyone acknowledges that. But regrettably, Republicans have called this hearing today to dwell on the problems that have stymied implementation of CLASS, not how to fix those problems to deliver the promising future that could and should lie ahead for the CLASS Program.

Ten days ago, Secretary Sebelius announced that she is putting CLASS on hold; that because of unintended flaws in its statutory authority, she could not at this time fully implement the law. I find that disappointing, but until she finds a path forward, the action she has taken is the responsible thing to do – fiscally and otherwise.

But calling for a “time out” is not the equivalent of “throwing in the towel” as Republicans would have the public believe. Contrary to the Republican title of this hearing, CLASS has not been “cancelled”; rather, it simply stands in “recess.”

The Republicans complain that we’re ignoring the truth. Well they’re ignoring the truth of the plight of millions of people to finance their long-term care. They talk about the financial disaster. What about the financial disaster for those families facing this issue? Doing nothing and repealing the CLASS Act is a recipe for disaster. They talk about over promising and under delivering. They promised to repeal and replace but they’ve never told us what they would do. All that they’ve done is pass a law that would make the Medicare program not a guarantee but something that may be available in the future but to most people it may not.

I want to put all this in perspective. I look forward to hearing the testimony.