

**Statement of former Congressman Patrick J. Kennedy**

House Energy and Commerce Committee

**Subcommittee on Oversight and Investigations and the Subcommittee on Health**

**CLASS Cancelled: An Unsustainable Program and Its Consequences for the Nation's Deficit**

October 26, 2011

Our family was very fortunate. We had the resources to provide my father with any long term services and supports that he needed, as he approached the end of his life --- but he knew that most working families are not as fortunate.

The inclusion of the long term care infrastructure (CLASS) in health care reform was a signature issue for my father. As Raymond Scheppach, Executive Director for NGA noted, "failure to reform the under-funded, uncoordinated patchwork of long-term care supports and services is a failure to truly reforming health care." This failure defines the revolving door of our health care system.

An estimated 10 million Americans currently need long term services, and that number is projected to reach 26 million by 2050. Nearly half of all funding for these services is now provided through Medicaid, which is a growing burden on states and requires individuals to become and stay poor to receive the help they need.

Roughly 70% of seniors will need help at some point because they cannot take care of themselves independently. However, 66% of Americans cannot afford to pay for more than

three months of nursing home care, and 53% can not pay for more than three months of care from a part-time licensed personal care aide.

Even before he became ill, my father saw a need for an alternative solution, realizing that for persons with disabilities and older Americans long term services and supports ARE their primary unmet care need, and that while 45 million Americans lack medical insurance, 200 million adult Americans lack any insurance protection against the costs of these services.

He introduced the CLASS Act, in partnership with Republican Senator Mike DeWine, with a subsequent introduction along with Congressman Pallone and Congressman Dingell. The intent was to provide a framework under which HHS could develop an innovative public-private partnership to address this issue --- to initiate a classic American solution to this problem, one grounded on the principles of self-sufficiency and personal responsibility.

Let's talk about self-sufficiency: The goal of this program is to support people to live in their own homes and be as productive as their conditions will allow them to be. In many cases, the very services and supports CLASS was intended to pay for is enough to allow people to continue working and carry out the activities in their daily life. However, in other cases where the needs and demands are more significant, CLASS funds can be an adjunct to other existing insurance options. In either case, the alternative to at-home assistance is full-time institutional care. For many Americans, the option of taking care of ourselves or being cared for by our loved ones is at the core of our beliefs and values. CLASS supports these values.

And let's talk about personal responsibility: CLASS wasn't designed as a handout, but as a vehicle for people to protect themselves against the financial devastation that major illnesses or injuries can bring. For whatever reason, the private insurance market does not offer an affordable opportunity to many families, especially those that are most at risk and in need of services or supports. CLASS provides that option – creating an insurance policy anyone could get, to a risk each of us face every day.

It is time in this nation to support family caregivers and ensure adequate wages and benefits to direct care workers so our most vulnerable citizens can live at home and in their communities;

It is time to stop forcing people to become poor to qualify for the services they need;

and,

It is time that the Administration take the authority and flexibility given to them in this legislation to develop an innovative program that promotes independence and dignity and ensures the right of every citizen to control and choose what services they receive, how and where they are delivered, and who provides them.

I was pleased when CLASS was signed into law as part of the Affordable Care Act. I knew there was a lot of work to be done to design the insurance program that would be offered and make sure it would be financially sustainable. But I was pleased not only that an important piece of

my father's legacy was brought to fruition, but that the families he cared so passionately about would have an opportunity for protection.

Sadly, the Administration – **despite the fact that its own actuaries indicated that CLASS could work on a sustainable basis** – could not find a path forward on this important project.

They chose to dismiss it prematurely thus failing to examine every possible option. They offered no alternative for families who need this opportunity.

The CLASS Act provides a ray of hope to aging and disabled Americans. I can assure you that if my father was alive today, he would argue to continue this exploration and find that path forward.

My question is simple: If not this, then what? What will you do to help people help themselves against the costs of long term care? What will you do to keep people from falling into poverty and into the Medicaid rolls when a small amount of support could have kept them going? What do you say to the families who've been waiting so long for a solution?

I urge the Congress and the Administration to let the committed actuaries, policy planners and advocates help you find that path forward that works. Let's keep the policy on the books and keep working to define the program. It is wrong to send the families who need an alternative back to square one.

