

# Compliance Alert

## CLASS Act Implementation Suspended by the Obama Administration

October 14, 2011

The Secretary of Health and Human Services, Kathleen Sebelius, released a report to Congress October 14<sup>th</sup> regarding its analysis of the CLASS Act-the long term care program passed as part of the Affordable Care Act (ACA). In a letter sent with the report, Sebelius announced the Administration has decided not to move forward with the implementation of the CLASS program.

In the letter Sebelius states, *"In 2009, the actuary at [CMS] released a report to Congress...that raised concerns about the (CLASS) program's viability. Because of such concerns, the law passed by Congress required me to design a plan that would be actuarially sound and financially solvent for at least 75 years."* HHS has concluded that it cannot certify the plan's long term financial viability as currently structured. As a result of this decision, for all practical purposes, the CLASS Act is dead.

The Secretary's letter can be read in its entirety at <http://www.hhs.gov/secretary/letter10142011.html>.

*The McCart Group will continue to update you on the regulations as they are released.*

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