



AN ANALYSIS OF TITLE VIII – CLASS ACT

Summaries of Key Provisions in the “Patient Protection and Affordable Care Act” (HR 3590) as amended by the “Health Care and Education Reconciliation Act of 2010” (HR 4872), as of September 16, 2010

CLASS INDEPENDENCE BENEFIT PLAN

The CLASS Independence Benefit Plan is the benefit plan developed and designated by the Secretary, under which eligible beneficiaries will receive CLASS benefits. The plan, in part, will provide that (1) the yearly premium that enrollees must pay will be based on an actuarial analysis of the costs of the program over the next 75 years, (2) that there will be a five year vesting period for benefit eligibility, (3) that in order for benefits to be triggered, an individual must have a qualifying functional limitation that is expected to last for a continuous period of at least 90 days, and (4) that the cash benefit will be at least \$50 per day, scaled to functional ability, be paid on a daily or weekly basis, and not be subject to any lifetime or aggregate limit.

CLASS Independence Benefit Plan: Development of the plan HR 3590, Sec. 8002, Sec. 3203

Creating the Plan	Reviewing the Plan	Designating the plan
<p>The Secretary will consult with actuaries and other experts to develop at least three actuarially sound plans for providing eligible beneficiaries with benefits under this title. Each of the plan alternatives must be actuarially sound and must include certain requirements regarding premiums, the vesting period, benefit triggers, and the benefits themselves.</p>	<p>Once developed, the CLASS Independence Advisory Council will evaluate the alternative benefit plans and recommend for designation as the CLASS Independence Benefit Plan the plan that the Council determines best balances price and benefits to meet enrollees’ needs in an actuarially sound manner, while optimizing the probability of the long-term sustainability of the CLASS program.</p>	<p>Not later than October 1, 2012, the Secretary will take the Council’s recommendations into consideration and designate a benefit plan as the CLASS Independence Benefit Plan. The Secretary will publish this designation, details of the plan, and the reason for selection, in a final rule that allows for a period of public comment.</p>

CLASS Independence Benefit Plan: Premiums HR 3590, Sec. 8002, Sec. 3203



Establishing Enrollee Premiums	Exception: Nominal Premiums	Self-Attestation for Nominal Premiums
<p>The CLASS Independence Benefit plan will provide that starting with the first year of the CLASS program, and for every year after, the Secretary will establish the premiums that enrollees will pay for that year based on 75-year actuarial estimates of expected costs to ensure solvency of the program. In determining the monthly premiums for the CLASS program, the Secretary may factor in costs for administering the program of not more than three percent of all premiums, and no underwriting, other than on the basis of age, will be used to determine monthly premiums, or in preventing an individual from enrolling in the program.</p>	<p>The 75-year actuarially based premium will not apply to the poorest individuals and for full-time students. Instead, the monthly premiums will be formula based for (1) Individuals whose income does not exceed the poverty line, and (2) individuals who are 21 or younger, full-time students and actively employed. This formulated premium will not exceed the “applicable dollar amount,” which is \$5.00, increased by the percentage increase in the consumer price index for all urban consumers, based on the U.S. city average, for each year occurring after 2009 and before such year.</p>	<p>The Secretary will establish procedures to permit an individual who is eligible for the nominal premium to (1) self-attest that their income status does not exceed the poverty line or that their status is that of a full-time student who is actively employed, to (2) verify the validity of such self-attestation and (3) require an individual to confirm, on at least an annual basis, that their income does not exceed the poverty line or that they continue to maintain such status.</p>
<p>CLASS Independence Benefit Plan: Adjustment of Premiums HR 3590, Sec. 8002, Sec. 3203</p>		
To ensure Plan Solvency	To Reflect a Status Change	To adjust for Enrollment Lapse
<p>If the Secretary determines that the monthly premiums and income to the CLASS Independence Fund for a year are projected to be insufficient with respect for the 20 year period that begins that year, the Secretary may adjust the monthly premiums as necessary, while maintaining a nominal premium for enrollees whose income is below the poverty line or who are actively employed full-time students. Any such increase will not apply to the monthly premium of any active enrollee who (1) is 65 or older, (2) has paid enrollment premiums for at least 20 years, and (3) is not actively</p>	<p>An individual subject to a nominal premium on the basis of being an actively employed full-time student who ceases to qualify for this category will be subject to the same monthly premium that applies to an individual of the same age who first enrolls in the program under the most similar circumstances as the individual. The new premium will apply the first month following the month in which the individual no longer qualifies as an actively employed full-time student.</p>	<p>(1) 90 day lapse: If an individual fails to pay the monthly premium that is required to maintain enrollment in CLASS for a period of at least 90 days, the individual’s reenrollment after this time period will be treated as an initial enrollment for purposes of age adjusting the premium. However, an individual who reenrolls in the CLASS program after this 90-day period, but before the end of the five year period that began the first month in which the individual failed to pay his or her required monthly premium, will be credited</p>

<p>employed</p>		<p>with any months of paid premiums that accrued prior to the individual’s lapse in enrollment.</p> <p>(2) Five year lapse: The monthly premium for Individuals who reenroll in the CLASS program after a five-year lapse will be the age-adjusted premium that would be applicable to an initially enrolling individual who is the same age as the reenrolling individual, increased by the greater of either (A) an amount that the Secretary determines is actuarially sound for each month that occurs during the period that begins with the first month for which the individual failed to pay the monthly premium , and ends with the month preceding the month that the reenrollment is effective, or (B) one percent of the applicable age-adjusted premium for each such month occurring in such period.</p>
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CLASS Independence Benefit Plan: Vesting and Benefit Triggers, HR 3590, Sec. 8002, Sec. 3203

Vesting Period	Benefit Triggers	Qualifying Functional Limitations
<p>There will be a five year vesting period before individuals will be eligible for CLASS program benefits. This period begins upon enrollment.</p>	<p>To trigger benefit eligibility, a licensed health care practitioner must certify that an individual has a qualifying functional limitation that is expected to last for a continuous period of more than 90 days</p>	<p>Such a qualifying functional limitation must be in one of the following areas: (1) The individual is determined to be unable to perform the minimum number of activities of daily living (ADL) as specified in the plan, which may be 2 or 3, without substantial assistance, to be defined by the Secretary, from another individual (2) The individual requires substantial supervision to protect the individual from threats to health and</p>



safety due to substantial cognitive impairment, (3) The individual has a level of functional limitation similar, to be determined by the Secretary, as the level of functional limitation described in (1) or (2) above.

CLASS Independence and Benefit Plan: Benefit Eligibility HR 3590, Sec. 8002, Sec. 3205

Eligibility Assessment System	Presumptive Eligibility	Obtaining Benefits
<p>\By January 1, 2012, the Secretary will (1) be required to designate an entity, other than the States Disability Determination Services used by SSA, to serve as an Eligibility Assessment System and provide eligibility assessment of active enrollees who apply to receive benefits, (2) enter into an agreement with the Protection and Advocacy System for each state to provide advocacy services, and (3) enter into an agreement with public and private entities to provide advice and assistance counseling.</p>	<p>An active enrollee will be deemed presumptively eligible for benefits if the enrollee (1) has applied for, and attests is eligible for, the maximum cash benefit available under the sliding scale, (2) is a patient in a long-term care hospital, nursing facility, intermediate care facility for the mentally retarded, or an institution for mental diseases, and (3) is in the process of, or is about to begin the process of, planning to discharge from such a facility, or (4) is within 60 days from the date of discharge.</p>	<p>The Secretary will establish procedures under which an active enrollee will apply for benefits under the CLASS Independent Benefit Plan. Benefits will be paid to, or on behalf of, an eligible beneficiary beginning the first month in which an application for such benefits is approved.</p>

CLASS Independence Benefit Plan: Benefits Provided, HR 3590, Sec. 8002, Sec. 3202 and 3205

Benefit	Administration of Benefit	Use of Benefit
Cash Benefit HR 3590, Sec. 8002, Sec. 3202		
<p>Under the CLASS plan, eligible beneficiaries will receive a cash benefit that averages at least \$50 per day, during the first year in which beneficiaries receive benefits</p>	<p>The cash benefits will be paid into a Life Independence Account, established by the Secretary on behalf of each eligible beneficiary. To manage the funds paid</p>	<p>Cash benefits paid into the Life Independence Account will be used to purchase nonmedical services and supports that the beneficiary needs</p>



<p>under the plan. The amount of the benefit will be determined based on the reasonably expected distribution of beneficiaries receiving benefits at various levels, and will be scaled based on the severity of the policyholder’s functional or cognitive impairment, with not less than two, and not more than six, benefit level amounts. In subsequent years, the average daily benefit will not be less than the previous year’s benefit, adjusted for inflation. Cash benefits would be paid on a daily or weekly basis, with no lifetime or aggregate limit.</p>	<p>into the Life Independence Accounts, the Secretary will establish procedures for (1) crediting a Life Independence Account with the beneficiary’s cash benefit, (2) allowing the beneficiary to access the Life Independence Account through debit cards, and (3) accounting for withdrawals by the beneficiary from his or her Life Independence Account (HR 3590, Sec. 8002, Sec. 3205).</p>	<p>to maintain his or her independence at home or in another residential setting of their choice in the community, including, but not limited to: home modifications, assistive technology, accessible transportation, home maker services, respite care, personal assistance services, home care aides, and nursing support. Eligible beneficiaries may use cash benefits to obtain assistance with decision making concerning medical care, including the right to accept or refuse medical or surgical treatment and the right to formulate advance directs in the case that an injury or illness causes the individual to be unable to make health care decisions. Benefits paid under the CLASS Independence Benefit Plan may be used to compensate a family caregiver for providing community living assistance services and supports to an eligible beneficiary.</p>
<p>Advocacy Services, HR 3590, Sec. 8002, Sec. 3205</p>		
<p>By January 1, 2012, the Secretary will enter into an agreement with the state’s Protection and Advocacy systems to provide advocacy services to beneficiaries. To obtain these services, beneficiaries will be assigned an advocacy counselor. The CLASS plan benefit of advocacy services will be considered an administrative expense, and therefore subject to the three percent limit on administrative costs.</p>	<p>Under the agreement with the P&A, the state will be required to: (1) assign, as needed, an advocacy counselor to each eligible beneficiary, and to (2) ensure that the state’s Protection and Advocacy System, and such counselors, comply with the applicable conflict of interest requirements.</p>	<p>The assigned Counselor, in accordance with the agreement will provide beneficiaries with: (A) information regarding how to access the appeals process established for the program (B) assistance with respect to the annual recertification and notification process for eligibility, and (C) other assistance with obtaining services as the Secretary requires.</p>
<p>Advice and Assistance Counseling, HR 3590, Sec. 8002, Sec. 3205</p>		
<p>By January 1, 2012, the Secretary will enter into agreements with public and private entities to provide advice and assistance counseling services. To obtain these services, beneficiaries would be assigned an</p>	<p>Pursuant to the agreement, the contracted entity will assign, as requested by an eligible beneficiary, an advice and assistance counselor.</p>	<p>The assigned counselor will provide beneficiaries with: (1) information on accessing and coordinating long-term services and supports in the most integrated setting, (2) possible eligibility</p>



<p>advice and assistance counselor. The CLASS plan benefit of assistance counseling will be considered an administrative expense, and therefore subject to the three percent limit on administrative costs.</p>		<p>for other benefits and services, (3) development of a service and support plan, (4) information about programs established under the Assistive Technology Act of 1998 and the services offered under such programs, (5) available assistance with decision making concerning medical care, including the right to accept or refuse medical or surgical treatment, and the right to formulate advance directives such as a living will or durable power of attorney, and (6) other services as the Secretary requires.</p>
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COORDINATION

The CLASS program established under this title establishes a national voluntary long-term care insurance program. Under current law, the majority of long-term care services are funded by public programs, such as Medicaid and Medicare. While some of these public programs are limited in scope and vary in eligibility and benefits across the nation, there exists some benefit overlap with the CLASS program. Accordingly, the CLASS Act addresses the coordination of the plan with other programs, including primary payor rules under Medicaid.

Coordination: CLASS and with other programs HR 3590, Sec. 8002, Sec. 3205

Eligibility for other benefits	Supplement, not Supplant	Disability Insurance Benefits
<p>Benefits paid to an eligible beneficiary under the CLASS program will be disregarded for purposes of determining or continuing the beneficiary’s eligibility for the receipt of benefits under other federal, state or locally funded assistance programs.</p>	<p>Subject to the Medicaid primary payor rules, benefits received by an eligible beneficiary will supplement, not supplant, other health care benefits for which the beneficiary is eligible under Medicaid or any other federally funded program that provides health care benefits or assistance.</p>	<p>The CLASS Act is not intended to replace or displace public or private disability insurance benefits, including such benefits that are for income replacement.</p>

Coordination: CLASS and Primary Payor Rules HR 3590, Sec. 8002, Sec. 3205



Institutionalized Medicaid Beneficiary	HCBS Medicaid Beneficiary	State Requirement to receive offset
<p>If the beneficiary is a patient in a hospital, nursing facility, intermediate care facility for the mentally retarded or an institution for mental diseases, the beneficiary will retain 5 percent of his or her daily/weekly cash benefit, as applicable. This will be in addition to the amount of the beneficiary’s personal needs allowance as provided under Medicaid. The remainder of the CLASS benefit, 95 percent, will be applied to the facility’s cost of providing the beneficiary’s care, and Medicaid will provide secondary coverage for this care.</p>	<p>If a beneficiary is receiving medical assistance under Medicaid for home and community based services, the beneficiary will retain 50 percent of his or her daily/weekly cash benefit, as applicable. The remainder of the CLASS benefit will be applied to the state’s cost in providing HCBS care to the individual, and these funds will not be used by the state to claim federal matching funds under Medicaid. Medicaid will provide secondary coverage for the remainder of any costs incurred in providing HCBS medical assistance to the beneficiary. For the purposes of this legislation, “home and community based services” refers to any services which may be offered under a home and community based waiver or a state plan amendment.</p>	<p>A state will be paid the remainder of an HCBS beneficiary’s daily or weekly cash benefit only if the state’s waiver or state plan amendment does not include a waiver of the requirements of the SSA, Sec. 1902 relating to statewideness or comparability, and the state offers at a minimum (1) case management services, (2) personal care services, (3) habilitation services and (4) respite care under its waiver or state plan amendment.</p>
Institutionalized PACE Beneficiaries	HCBS PACE Beneficiaries	State Requirement to receive offset
<p>If a beneficiary receiving medical assistance under Medicaid for PACE program services is a patient in a hospital, nursing facility, intermediate care facility for the mentally retarded, or an institution for mental diseases, the beneficiary will retain 5 percent of his or her daily/weekly cash benefit, as applicable. This will be in addition to the amount of the beneficiary’s personal needs allowance as provided under Medicaid. The remainder of the CLASS benefit, 95 percent, will be applied to the facility’s cost of providing the beneficiary’s care, and Medicaid will provide secondary</p>	<p>If a beneficiary is receiving medical assistance under Medicaid for PACE program services under Section 1934 of the SSA, the beneficiary will retain 50 percent of his or her daily/weekly cash benefit, as applicable. The remainder of the benefit will be applied toward the cost of the state in providing such assistance, and will not be used to claim federal matching funds under Medicaid. Medicaid will provide secondary coverage for the remainder of any costs incurred in providing the HCBS medical assistance to the beneficiary. For the purposes of this legislation, “home and community</p>	<p>A state will be paid the remainder of an HCBS PACE beneficiary’s daily or weekly cash benefit only if the state’s waiver or state plan amendment does not include a waiver of the requirements of the SSA, Sec. 1902 relating to statewideness or comparability, and the state offers at a minimum (1) case management services, (2) personal care services, (3) habilitation services and (4) respite care under its waiver or state plan amendment.</p>



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ENROLLMENT AND DISENROLLMENT

The CLASS program relies heavily on employers for enrollment into the CLASS program, allowing employers who voluntarily participate in the program to automatically enroll employees, who would then have the choice to “opt out” of the program. The CLASS Act also provides for the establishment of mechanisms under which self-employed individuals and employees with non-participating employers may participate in the program.

Enrollment and Disenrollment: Individuals Eligible for Enrollment, HR 3590, Sec. 8002, Sec. 3204

Individuals Eligible for Enrollment

For purposes of enrolling in the CLASS program, an individual eligible for enrollment is one who is 18 or older and who (1) receives wages or income on which there is a tax imposed under Section 3101(a) or 3201(a) under the Internal Revenue Code of 1986, or who (2) is self employed, and this income has a tax imposed under section 1401(a) of the Internal Revenue Code of 1986, (3) who is actively employed, and (4) who is not (A) either a patient in a hospital or nursing facility, an intermediate care facility for the mentally retarded, or an institution for mental disease and receiving medical assistance under Medicaid, or (B) in jail, prison or other penal institution or correctional facility, or by court order pursuant to conviction of a criminal offense or in connection with a verdict or finding described in section 202(s)(1)(A)(ii) of the Social Security Act. Active enrollees are not required to continue satisfying (1) or (2) above in order to maintain enrollment in the CLASS program.

Enrollment and Disenrollment: Employer-Based Enrollment HR 3590, Sec. 8002, Sec. 3204

Enrollment Procedure	Opting Out/Disenrollment	Payment of Premiums
The Secretary, in coordination with the Secretary of the Treasury, will establish procedures under which	Employees automatically enrolled by their employers would then have the opportunity to opt out if they did	Once an individual is enrolled in the CLASS program, the amount of an individual’s monthly



<p>individuals may be automatically enrolled in the CLASS program by an employer, in the same manner as an employer may elect to automatically enroll employees in a 401(k), or other similar, retirement plans in the Internal Revenue Code of 1986. Employers who voluntarily choose to participate in the CLASS program would automatically enroll eligible employees, and would deduct and withhold CLASS premiums on the employees' behalf.</p>	<p>not wish to enroll. Individuals may elect to waive enrollment in the CLASS program at any time. The Secretary of HHS, in coordination with the Secretary of the Treasury, will clarify the form and manner for such opting out.</p>	<p>premium will be deducted from the enrollee's wages or self-employment income. The Secretary, in coordination with the Secretary of the Treasury, will establish procedures under which employers electing to participate in CLASS will deduct and withhold such premiums on behalf of enrolled employees.</p>
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Enrollment and Disenrollment: Alternative Enrollment Procedures, HR 3590, Sec. 8002, Sec. 3204

Alternative Enrollment Process	Opting Out/Disenrollment	Payment of Premiums
<p>There will also be procedures for the alternative enrollment process for individuals (1) who are self-employed, (2) who have more than one employer, or (3) whose employer does not elect to participate in the automatic enrollment process. Additionally, the Secretaries of HHS and the Treasury will promulgate regulations establishing procedures to ensure that an individual is not automatically enrolled in the CLASS program by more than one employer.</p>	<p>The Secretary of HHS, in coordination with the Secretary of the Treasury, will establish procedures under which an individual will only be allowed to disenroll from the CLASS program, other than for nonpayment of premiums, during an annual disenrollment period.</p>	<p>The Secretaries must also establish procedures for the payment of monthly premiums by an individual enrolled in CLASS who does not have an employer who elects to deduct and withhold premiums in accordance with this payroll deduction, or who does not earn wages or derive self-employment income.</p>

Enrollment and Disenrollment: Other Enrollment, HR 3590, Sec. 8002, Sec. 3204

Other Enrollment	Opting Out/Disenrollment	Payment of Premiums
<p>The Secretary, in consultation with the Secretary of the</p>	<p>The Secretary of HHS, in coordination with the</p>	<p>The Secretaries must also establish procedures for</p>



<p>Treasury, will establish procedures under which an individual who, in the year of his or her initial enrollment has not enrolled, is eligible to elect to enroll in the program, may do so only during an open enrollment period that is specific to the individual. This period may not occur more than twice a year after the date on which the individual first elected to waive enrollment.</p>	<p>Secretary of the Treasury, will establish procedures under which an individual will only be allowed to disenroll from the CLASS program, other than for nonpayment of premiums, during an annual disenrollment period.</p>	<p>the payment of monthly premiums by an individual enrolled in CLASS who does not have an employer who elects to deduct and withhold premiums in accordance with this payroll deduction, or who does not earn wages or derive self-employment income.</p>
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OVERSIGHT AND STRUCTURE

Within the CLASS Act are several provisions relating to solvency and quality assurance. The Act establishes several entities charged with oversight, including the CLASS Independence Advisory Council and the CLASS Independence Benefit Fund Board of Trustees. Additionally, there are reporting and infrastructure requirements, as well as clarification as to the tax treatment of the CLASS program.

Oversight and Structure: CLASS Independence Benefit Fund, HR 3590, Sec. 8002, Sec. 3206

Establishment of the Fund	Administration of the Fund	Use of the Funds
<p>In the Treasury of the United States, a trust fund, the CLASS Independence Benefit Fund, will be established. The Secretary of the Treasury will serve as the Managing Trustee, and the Fund will consist of all amounts derived from payments into the fund by CLASS program participants and of the funds remaining after investment of such amounts, including investment income.</p>	<p>The Secretary of the Treasury will investment and manage the CLASS Independence Benefit Fund in the same manner, and to the same extent, as the Federal Supplemental Medical Insurance Trust Fund may be invested and managed under Medicare.</p>	<p>The amounts held in the Fund are appropriated and will remain available without fiscal year limitation (1) to be held for investment on behalf of individuals enrolled in the CLASS program, (2) to pay the administrative expenses related to the Fund, including the repayment of investments, and (3) to pay cash benefits to eligible beneficiaries under the CLASS Independence Benefit Fund plan.</p>

Oversight and Structure: CLASS Independence Fund Board of Trustees, HR 3590, Sec. 8002, Sec. 3206



Establishment of the Board	Membership	Duties
<p>The CLASS Independence Fund will be overseen by a Board of Trustees</p>	<p>The Board of Trustees for the CLASS Independence Benefit Fund will be composed of the Secretaries of Treasury, Labor and Health and Human Services, all ex officio. Additionally, two members of the public, both of whom may not be from the same political party, will be nominated by the President for a term of four years, and subject to confirmation by the Senate.</p>	<p>The Board will meet at least once each calendar year. Its duties include (1) Holding the CLASS Independence Fund, (2) Reporting to Congress no later than the first day of April of each year on the operation and status of the CLASS Independence Fund during the preceding fiscal year, and on its expected operation and status during both the current and next two fiscal years, (3) Reporting immediately to Congress whenever the Board is of the opinion that the amount of the Fund is not actuarially sound, and (4) Reviewing and making recommended changes in the general policies followed in managing the CLASS Independence Fund.</p>
<p>Oversight and Structure: CLASS Independence Advisory Council, HR 3590, Sec.8002, Sec. 3207</p>		
Establishment of the Advisory Council	Membership	Duties
<p>The legislation creates the CLASS Independence Advisory Committee, to be known as the CLASS Independence Advisory Council. There are authorized to be appropriated to the Council to carry out its duties such sums as may be necessary for FY11, and for each fiscal year thereafter.</p>	<p>The Council will be composed of not more than 15 non-US employees, who will serve overlapping terms of three years, and who may not serve more than two consecutive terms. These individuals (1) will be appointed by the President, and (2) A majority of the appointees will be representatives of individuals who participate, or who are likely to participate, in the CLASS program, including representatives of older and younger workers, individuals with disabilities, family</p>	<p>The Council will advise the Secretary on matters of general policy in the administration of the CLASS program, and in the formulation of regulations regarding the CLASS program, including regulations on (1) The development of the CLASS Independence Benefit Plan, (2) The determination of monthly premiums under such plan, and (3) The financial solvency of the program.</p>



caregivers, individuals with expertise in long-term care or disability insurance, actuarial science, economics, and other relevant disciplines, to be determined by the Secretary. The President will appoint one of the Council members to serve as the Chair.

Oversight and Structure: Reporting Requirements, HR 3590, Sec. 8002, Sec. 3206 3208, 3209

Secretary's Annual Report	Inspector General's Report	Board of Trustees Annual Report
<p>Beginning January 1, 2014, the Secretary will submit an annual report to Congress on the CLASS program. The reports will include the following: (1) The total number of enrollees in the program, (2) The total number of eligible beneficiaries during the fiscal year, (3) The total amount of cash benefits provided during the fiscal year, (4) A description of instances of fraud or abuse identified during the fiscal year, and (5) Recommendations for such administrative or legislative action as the Secretary determines necessary to improve the program, to ensure the solvency of the program, or to prevent the occurrence of fraud or abuse. (HR 3590, Sec. 8002, Sec. 3208)</p>	<p>The Inspector General of Health and Human Services will submit an annual report to the Secretary and Congress relating to the overall progress of the CLASS program, and of the existence of waste, fraud and abuse in the CLASS program. The reports will include findings in the following areas: (1) The eligibility determination process, (2) The provision of cash benefits, (3) Quality assurance and protection against waste, fraud and abuse, and (4) Recouping of unpaid and accrued benefits. (HR 3590, Sec. 8002, Sec. 3209)</p>	<p>The Board must report to Congress at the beginning of each April on matters relating to the operation and status of the Fund. This report must include (1) A statement of the assets of, and disbursements made from, the Fund during the preceding fiscal year, (2) An estimate of the expected income to, and the disbursements to be made from, the Fund during the current and next two fiscal years, (3) A statement of the actuarial status of the Fund for the current fiscal year, each of the next two fiscal years, and as projected over the 75-year period beginning with the current fiscal year, and (4) an actuarial opinion by the Chief Actuary of CMS certifying that the techniques and methodologies used are generally accepted within the actuarial profession, and that the assumptions and cost estimates used are reasonable (HR 3590, Sec. 8002, Sec. 3206)</p>

Oversight and Structure: Tax Treatment, HR 3590, Sec. 8002, Sec. 3210



Tax Treatment Under CLASS	Current law: Benefits	Current Law: Employer Contributions
<p>For tax purposes, the CLASS program will be treated in the same manner as a qualified long-term care insurance contract is currently treated.</p>	<p>Under current law, the Internal Revenue Code of 1986, benefits from a qualified long-term care insurance policy are exempt from taxation. In 2009, the exclusion for long-term care insurance benefits paid on a periodic basis was limited to the greater of (1) \$280 a day, or (2) the cost of the long-term care services. Premiums for long-term care insurance are allowed as itemized deductions to the extent that they, and other unreimbursed medical expenses, exceed 7.5% of adjusted gross income (AGI). However, long-term care insurance programs are subject to age-adjusted limits. In 2009, those limits ranged annually \$320 for individuals age 40 or younger to \$3,980 for individuals 70 years of age and older.</p>	<p>Additionally, current law excludes employer contributions to the cost of long-term care insurance policies from the gross income of the employee, and self-employed individuals are allowed to include long-term care insurance premiums in calculating their deductions for health insurance expenses. Only amounts not exceeding the age-adjusted limits can be deducted or excluded from taxable income.</p>

Oversight and Structure: Personal Care Attendants Workforce, HR 3590, Sec. 8002, Sec. 3210

Assurance of Adequate Infrastructure	State Requirements	Workforce Advisory Panel
<p>Not later than two years after the date of enactment of the CLASS Act, to assure an adequate infrastructure for the provision of personal care attendant workers to individuals receiving benefits under the CLASS program, the legislation amends Section 1902(a) of the SSA to require states to assess current systems.</p>	<p>To assure an adequate infrastructure, a state plan for medical assistance will be required to: (1) Assess the extent to which entities are serving or have the capacity to serve as fiscal agents for, employers of, and providers of employment-related benefits for, CLASS program personal care attendant workers. Entities whose capacity is to be assessed include providers of home care, home health services, home</p>	<p>Not later than 90 days of enactment of the CLASS Act, the Secretary will establish a Personal Care Attendants Workforce Advisory Panel to examine and advise the Secretary and Congress on workforce issues related to personal care attendant workers, including with respect to the adequacy of the number of such workers, the salaries, wages and benefits of such workers, and</p>

	<p>and community service providers, public authorities created to provide personal care services to individuals eligible for medical assistance under the state plan, and nonprofit organizations; (2) Designate or create entities to serve as fiscal agents for, employers of, and providers of employment-related benefits for personal care attendant workers, (3) Ensure that the designation or creation of such entities will not negatively alter or impede existing programs, models, methods, or administration of service delivery that provide for consumer controlled or self-directed home and community services and further ensure that such entities will not impede the ability of individuals to direct and control their home and community services.</p>	<p>access to the services provided by such workers.</p>
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