



# Kansas Insurance Department

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May 2010

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*A consumer resource from the Kansas Insurance Department*

## **Health care reform and the Community Living Assistance Services and Supports Act (CLASS)**

### **What is the CLASS Act?**

The CLASS Act, companion legislation to the federal Patient Protection and Affordable Care Act, would assist individuals with a long-term care financial daily benefit. The daily benefit could help pay for home health aide services in Kansas range from \$15 to \$22 with a median hourly rate of \$18<sup>i</sup>. Adult day health care daily rates in Kansas range from a minimum daily rate of \$45 to \$80 a day<sup>ii</sup>. The assisted living facility monthly rates in Kansas range from \$2,240 to \$6,500<sup>iii</sup> and the nursing home daily rates range from \$122 a day to \$262 a day<sup>iv</sup>.

### **Who is eligible?**

Individuals who are working. Individuals must pay premiums for a period of five years to be vested. After five years, they can receive benefits. The individual must work for three of those five years.

### **What if I only work part-time?**

Part-time workers are eligible, though they must earn enough each year to pay Social Security taxes. The current income threshold is \$1,200.

### **What if I am self-employed?**

The self-employed and anyone whose employer declines to offer CLASS Act coverage will also be able to sign up – although the signup procedure has not yet been determined by the Department of Health and Human Services as of May 2010.

### **What if I already have an illness or disability?**

As long as you work for three years and pay premiums for five years, you can still enroll. The federal law prohibits excluding individuals with pre-existing conditions like diabetes.

### **When does it begin?**

Enrollment is expected to begin in 2013. The federal act takes effect January 1, 2011. The Secretary of Health and Human Services has until October 2012 to develop the rules and regulations.

**How much will the coverage cost?**

In November 2009, the Congressional Budget Office assumed an average monthly premium of \$123 (less for younger enrollees, more for older enrollees). The estimate is based on the assumption that only 5 to 6 percent of eligible individuals will want to participate.

The CLASS Act is an “opt-out” program meaning if your employer enrolls or participates in the program, you are automatically included unless you specifically decline coverage.

**What will the CLASS Act provide?**

The Congressional Budget Office predicted a cash benefit of \$75 a day, available once an individual needed help with two to three activities of daily living (ADLs) which include eating, bathing, dressing, using the toilet, transferring from bed to chair to wheelchair, and/or continence care.

The law says the average minimum benefit must be at least \$50 a day. Once an individual qualifies, the benefits continue as long as the person needs care. The benefits will rise with inflation. The specific amount will be determined by the Secretary of Health and Human Services.

**Do I still need long-term care insurance?**

The Kansas Insurance Department recommends that each individual needs to take a look at his or her own financial situation and discuss this matter with his or her family. If you decide to look into long-term care insurance, the Kansas Insurance Department has numerous books including “Long-Term Care Insurance” and the “Long-Term Care Insurance Shopper’s Guide” to help you understand this particular line of insurance. In addition, our consumer representatives are available from 8 a.m. to 5 p.m. to answer any questions you might have regarding long-term care insurance at 800-432-2484.

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*The Kansas Insurance Department, established in 1871, assists and educates consumers, regulates and reviews companies and licenses agents selling insurance products in the state. The department is an entirely self-funded agency. More about the department is online at [www.ksinsurance.org](http://www.ksinsurance.org).*

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<sup>i</sup> *Executive Summary Genworth 2010 Cost of Care Survey*, April 2010, Genworth Financial.

<sup>ii</sup> *Executive Summary Genworth 2010 Cost of Care Survey*, April 2010, Genworth Financial.

<sup>iii</sup> *Executive Summary Genworth 2010 Cost of Care Survey*, April 2010, Genworth Financial

<sup>iv</sup> *Executive Summary Genworth 2010 Cost of Care Survey*, April 2010, Genworth Financial