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NEWS RELEASE

Immediate Release

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Actuaries: Federal Long-Term Care Legislation Falls Short on Coverage Goals

WASHINGTON – 22 July 2009 – According to a recent analysis by a nonpartisan group of actuaries, the currently proposed benefit structure in the *Community Living Assistance Services and Supports Act* (CLASS Act) will require premiums that may exceed affordable levels for those in the intended population and is unlikely to achieve broad participation. The CLASS Act is included as a provision in the current version of the U.S. Senate Health, Education, Labor and Pensions Committee’s *Affordable Health Choices Act*.

“Due to its design and the high level of required premiums, the program is unlikely to cover more than a very small proportion of the intended population,” said **Eric Stallard**, the chairperson of the **American Academy of Actuaries** Federal Long-Term Care Task Force.

Stallard said he is encouraged that the legislation recognizes the need to develop actuarially sound premiums to ensure that the program is sustainable for at least 75 years, compared to a previous proposal that had set insufficient premiums and raised significant concerns regarding sustainability and solvency. He said that while actuaries commend the change, other considerations may need to be addressed to achieve a sustainable voluntary federal long-term care program that can accomplish its coverage goals. Among other considerations, the actuaries recommend enhancing participant opt-out/opt-in restrictions, drafting a precise “actively-at-work” definition, and developing an underwriting approach for the coverage of non-working spouses.

The analysis and additional considerations are detailed in a letter from the American Academy of Actuaries to Congress. The letter is available at:

http://www.actuary.org/pdf/health/class_july09.pdf.

The analysis was performed by a joint work group of the American Academy of Actuaries Federal Long-Term Care Task Force and the Society of Actuaries Long-Term Care Insurance Section Council. For more information or to schedule an interview, please contact Andrew

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The American Academy of Actuaries is a 16,000-member professional association whose mission is to serve the public on behalf of the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.