

**FISCAL RESPONSIBILITY AND RETIREMENT
SECURITY ACT OF 2011 -- (House of
Representatives - February 01, 2012)**

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Mr. GINGREY of Georgia. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1173 and insert any extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER pro tempore (Mr. *Boustany*). Pursuant to House Resolution 522 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 1173.

[Time: 14:25]

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 1173) to repeal the CLASS program, with Mrs. *Miller* of Michigan in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall be confined to the bill and shall not exceed 1 hour, with 40 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce, and 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means.

The gentleman from Georgia (Mr. *Gingrey*) and the gentleman from New Jersey (Mr. *Pallone*) each will control 20 minutes. The gentleman from Louisiana (Mr. *Boustany*) and the gentleman from California (Mr. *Stark*) each will control 10 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. GINGREY of Georgia. Madam Chair, I yield myself such time as I may consume.

Madam Chair, it has been more than 2 years since the CLASS Act was first debated as part of the President's health care takeover debate. We knew then that the program was flawed and unworkable; yet the Democratic-controlled Congress ignored these concerns and instead rushed the CLASS program through as part of the President's health care law.

Now, 2 years and more than \$800 billion later, we have finally heard from the President and his administration that while they have wasted taxpayer dollars, this program is in fact not implementable. Surprised? Well, you shouldn't be.

The truth is that unbiased analysts such as the [American Academy of Actuaries](#) had raised concerns with the program as early as July of 2009, some 5 months before the President's plan was even considered on the Senate floor. Members from both sides of the aisle also raised concerns about the program's long-term sustainability during this debate. Most disturbing is what we came to find in a bicameral investigation last year that revealed concerns from within HHS were rampant during PPACA debate, but they were never brought to light by the Democratic leadership or the Obama administration. Yet the program was rushed through so that we can, as then-Speaker *Pelosi* noted, "find out what's in it."

On October 14, 2011, Secretary Sebelius announced what honest accounting told us was inevitable: the Obama administration finally admitted there was no viable path forward and, therefore, was halting any further efforts of implementing the CLASS program.

The failure of Health and Human Services to implement the CLASS program certainly is not a surprise. However, it is a catastrophic consequence of what happens when Congress rushes to enact costly policies and dismisses warnings from independent experts. Most troubling are the budget gimmicks used to sell the CLASS program and, indeed, the entire law.

The Congressional Budget Office, CBO, estimated the CLASS program would save money by collecting premiums from enrollees, premiums that will now never be collected in light of a failed implementation.

We knew, Madam Chair, the savings estimates for the President's health care plan were wrong. It defied common sense that such a massive spending expansion would have no cost. Now the President will have to explain to the American people why the health care law--ObamaCare, PPACA, Patient Protection, Affordable Care Act, Unaffordable Care Act--he'll now have to explain to the American people why this health care law will cost them \$80-plus billion more than what they were told.

[Time: 14:30]

That is more than \$80 billion on top of the trillions the President has added to the books since he took office in January of 2009.

Today, we will have the opportunity to start over on long-term care reform, an issue that's important to all of us as we hear from constituents regularly about the growing cost of long-term care services. The market has not even been penetrated 10 percent, Madam Chair. We will now begin that process. But first, we must take this section out of the health care bill known as CLASS. We must take it off the books.

I urge my colleagues to support just what this bill does, remove CLASS from the statute, H.R. 1173, repeal the failed CLASS program so that we can now move forward with reforms that do work.

With that, Madam Chairman, I reserve the balance of my time.

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Mr. PALLONE. Madam Chair, I yield myself such time as I may consume.

Madam Chair, there are millions of Americans currently in need of a long-term care program and many more that will require these services in the future. Despite the great achievements of our country, the U.S. lacks an affordable and ethical system of financing long-term care services. The CLASS program is a significant step towards finding a realistic solution to this problem. However, many of my Republican colleagues have taken a stance against CLASS without proposing any real solutions for long-term care access in America, and I strongly oppose H.R. 1173 and consider it to be a blatant disregard of a growing crisis in this country.

Madam Chair, Republicans continue to propose repeal of various aspects of the Affordable Care Act. We heard my colleague from Georgia today. And how many other times how many on the other side have said, well, let's just repeal the Affordable Care Act, let's repeal pieces of the Affordable Care Act? But they never come up with any meaningful alternatives. And the same is true today. They're talking about outright repeal of CLASS without any meaningful suggestion of an alternative.

My message to my colleagues on the other side of the aisle is that we should mend the CLASS Act and not end it. This country is already facing a long-term care crisis, but the problem is only going to get worse. As our population continues to age, an estimated 15 million people are expected to need some sort of long-term care support by 2020. If we don't solve the need for affordable long-term care in this country soon, we will also jeopardize our entitlement programs. Currently, Medicaid pays 50 percent of the cost of long-term services, and that price tag is quickly rising every year. The CLASS program was designed to allow people to stay at home and prevent the cost of nursing home care that burdened Medicaid.

Now, I want to correct one thing. I know in the Rules Committee some of my colleagues talk about the administration's position on this bill. The administration made it quite clear in a hearing that we had on this bill that they're opposed to repeal of the CLASS Act. They acknowledge that there are workable solutions under the CLASS program, but didn't feel that they have the legal authority--I stress legal authority--to implement them. So the Department of Health and Human Services has more work to do, and I have suggested on numerous occasions that the CLASS Advisory Council, which is organized under the legislation, be convened in order to offer their expertise.

The CLASS program is a framework that will facilitate a solution to our long-term care crisis. However, all I continue to hear from my colleagues on the other side of the aisle is that Congress can't do anything. It's this negative attitude, the idea that Congress can't address any problem. And I just sincerely hope that my colleagues, when they come to the table, come up with a workable solution. Don't just tell me we have to repeal things, we can't do anything, and the government can't do anything. Cowardly running away from the problem through repeal is simply not the answer.

Overall, the CLASS Act promotes personal responsibility and independence. Those are the values that you talk about a lot. It allows the government to put choice in the hands of consumers while saving Medicaid dollars. American families have too few long-term care options, and they need our help. Rather than repeal CLASS, we need to continue the dialog in the development of a viable plan forward.

Again, let's mend it, not end it. Moving forward with H.R. 1173 shuts the door on a problem that simply cannot be ignored.

I reserve the balance of my time.

Mr. PITTS. Madam Chair, I yield 1 minute to the gentleman from New Jersey (Mr. *Lance*), a very valued member of the Subcommittee on Health.

Mr. LANCE. Madam Chair, I rise today in support of repealing the CLASS Act.

In hearings before the Energy and Commerce Committee, my colleagues and I learned that the CLASS program was a ticking time bomb fiscally, a new entitlement program that Health and Human Services Secretary Kathleen Sebelius has said is "totally unsustainable" financially. Richard Foster, chief actuary of the Centers for Medicare and Medicaid Services, wrote in 2009: "Thirty-six years of actuarial experience lead me to believe that this program would collapse in short order and require significant Federal subsidies to continue." And Senate Budget Committee Chairman *Kent Conrad* has called the CLASS program "a Ponzi scheme of the first order." To her credit, Secretary Sebelius in October called for an end of the CLASS program, adding that there was not "a viable path forward for CLASS implementation at this time."

Madam Chair, we have a serious long-term care problem that is driving patients into bankruptcy and weighing down an overburdened Medicaid program. But before we can

develop bipartisan solutions to address this important issue, we must first repeal the misguided CLASS program. Only then can we begin anew and properly address the long-term health care problem.

Mr. PALLONE. Madam Chair, I yield such time as he may consume to the ranking member of the full committee, Mr. *Waxman*.

Mr. WAXMAN. Thank you for yielding that time to me, Mr. *Pallone*.

Madam Chair, I rise today in strong opposition to H.R. 1173. This bill is another Republican attempt to tear down and dismantle programs that provide health care in the United States. Now we have Medicare, and the Republican alternative to Medicare is to just shift more costs on to seniors, give them a voucher and let them pay more if they want more than that voucher will provide, and that voucher is not going to provide much over time.

On Medicaid, they just want to shift the costs on to the States so the States can tell a lot of very poor people, I'm sorry, we don't have enough money to take care of you, but we're not required to under Federal law. They said that they didn't want the Affordable Care Act; they wanted to repeal it. But they haven't told us what they want to put in its place. They said that this was going to be repeal and replace. They have proposed a repeal, but we have no proposal to replace it.

Republicans now want to take a part of the Affordable Care Act, the CLASS program, that is the one and only significant new initiative to put in place to deal with our country's long-term care crisis. Those who are supporting this bill say that the CLASS Act is not the right solution to our long-term care problem. Well, I don't think it's perfect, either. But the solution is to amend the program, to make it work, not just repeal it and leave nothing in its place.

If we leave nothing in its place, we have the status quo. And what does the status quo mean? The status quo means that for some who are on Medicare, they will have a minimal amount of coverage for their long-term care services. And to get any other help, people will have to go through the indignity of impoverishing themselves. A system that is in place for the very poor would be called upon then, the Medicaid system, to cover their long-term care needs, especially if they had to go to a nursing home. Well, many elderly and disabled individuals will be forced to leave their families and community of friends for institutionalization because that's all that some States will cover.

Families will have to do what they call "spend down." They have to spend their money until they're in poverty. So they lose their dignity along the way in order to qualify for Medicaid assistance. The CLASS Act was trying to take some of the burden off Medicaid, some of the indignity away from seniors. Medicaid expenditures for the most part are paying for long-term care, and that will escalate even further. In 2010 alone, Medicaid spending for these services cost some \$120 billion.

[Time: 14:40]

And we have a baby boomer population that is continuing to age. The number of Americans in need of long-term care assistance will grow, compounding each of these problems.

So what is the Republican answer to this problem? Nothing. Just repeal the program that attempts to give some effort to deal with these costs for people who need long-term care.

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Let's not lose this incremental piece. Let's figure out how to add on to it, how to change it, but don't repeal it.

I urge my colleagues to reject H.R. 1173.

Mr. PITTS. Madam Chair, I just want to remind everyone that under the CLASS Act there's not one person in the United States who would receive long-term care benefits under that act because it doesn't work.

At this time I yield 2 minutes to the gentleman from West Virginia (Mr. *McKinley*).

Mr. *McKINLEY*. Madam Chair, I rise today in favor of H.R. 1173. This bill would save hardworking taxpayer dollars and eliminate a costly and flawed ObamaCare provision known as the CLASS Act.

This program was sold as a self-sustaining program, one that would reduce Federal spending. However, the program was problematic from the start. The President and the Democrat leadership in the Congress knew this fact over 2 1/2 years ago and still included the CLASS program in the health care bill.

During an investigation, it was revealed that Obama administration officials and Senate Democrats were very much aware that this was not going to work and that Department officials warned for a year before passage that the CLASS program would be a fiscal disaster. As far back as May of 2009, the CMS Chief Actuary sent an email that warned officials that the program doesn't look workable. These 200 pages of exhibits from the investigation show that Department officials were voicing concern to Senate leadership all the way up until passage in December of 2009. This was all concealed from Congress and the American public.

After enactment, the concerns continued. On February of 2011, Secretary Sebelius testified before the Senate Finance Committee that the CLASS program is totally unsustainable in its present form. And finally, this past October, the Department

announced that the program was still not financially feasible. What we are seeing now is that, as well intended as it is, the CLASS program is unworkable.

The objective of providing long-term health care is laudable and should be a priority of Congress. Therefore, we must identify a long-term, commonsense solution for our health care. That is why last week I asked GAO to conduct a study of the Medicaid Long-Term Care Partnership Program and survey States on how to improve the partnership program so that more Americans can properly plan for their long-term care needs.

This public-private partnership between States and long-term care insurance plans was designed to reduce Medicaid expenditures by lessening the need for some people to rely on Medicaid to pay for long-term health care services.

The partnership program is not the only solution to our long-term health care, but it is a helpful tool to help Americans plan for their health care long-term needs, unlike the unsustainable and costly CLASS Act embedded in ObamaCare.

The repeal of the CLASS Act marks a small victory. Let's not try to force this costly program on the backs of hardworking American taxpayers without fully investigating how we can improve existing programs or how we can create an affordable, sustainable, long-term care program.

I urge my colleagues to vote "yes" on H.R. 1173.

Mr. PALLONE. Madam Chair, I yield 2 minutes to the champion for senior citizens, the gentlewoman from Illinois (Ms. *Schakowsky*).

Ms. SCHAKOWSKY. I thank the gentleman.

You know, there's a lot of areas of agreement. We all agree that we're in the midst of a long-term care crisis. We agree that today there are 10 million Americans in need of long-term care services and support. By 2020, that number will grow to 15 million, and by 2050, the number of seniors who need long-term care will reach 26 million.

The costs associated with long-term care are high. We agree on that. Nursing homes can cost over \$70,000 a year, and 20 hours a week of home care can cost nearly \$20,000. But repealing the CLASS Act does nothing to address the glaring need for adequate coverage of long-term care services and support. The CLASS Act addressed a number of critical needs, including providing a way for persons with disabilities to remain independent in their community and bringing private dollars into the long-term services system to reduce reliance on Medicaid without impoverishing individuals and families. We agree that the CLASS Act is far from perfect, but it does provide a framework to begin to deal with the problem.

So it seems to me if we all agree on the need, not only the need for long-term care but the need to do better, then instead of repealing the CLASS Act and passing H.R. 1173

with no effective alternative, we could, right now today, sit down and work together to repair this program. Ignoring it or even postponing this long-term care crisis simply is not going to make it go away.

Mr. PITTS. Madam Chair, I yield myself such time as I may consume.

Madam Chair, I'd like to speak to H.R. 1173, the Fiscal Responsibility and Retirement Security Act of 2011, which repeals the CLASS program which was rushed into law in the President's health reform bill.

Last February, HHS Secretary Kathleen Sebelius publicly admitted that the more than \$80 billion CLASS Act was "totally unsustainable." But it was not until 8 months later, on October 14, that the Department of Health and Human Services announced it was not moving forward with the implementation of the CLASS program "at this time."

On October 26, 2011, Assistant Secretary Kathy Greenlee testified before our subcommittee that the Department had spent \$5 million in 2010 and 2011 trying to implement the program. The Secretary's conclusion that the CLASS program could not meet the law's 75-year solvency requirement and was not sustainable was not a surprise to anyone who had been following the issue. Even before its inclusion in the President's health care law, PPACA, in March of 2010, we were warned by the administration's own actuary, the **American Academy of Actuaries**; Members of Congress from both parties; and outside experts that the program would not be fiscally sustainable. On July 9, 2009, approximately 8 months before PPACA was signed into law, CMS's own actuary, Richard Foster, wrote "36 years of actuarial experience lead me to believe that this program would collapse in short order and require significant Federal subsidies to continue."

I support the intent behind the CLASS program to help Americans purchase long-term care policies that most of us will end up needing at some point, but only about 9 million Americans actually purchase. Long-term care costs are frighteningly high, and many Americans face bankruptcy or ending up on Medicaid, or both, in order to get the care they need.

But while the goals of the program were worthy, good intentions do not make up for fundamentally flawed, actuarially unsound policies designed to show the illusion of savings. The President has left us with a budget hole of more than \$80 billion. The irresponsible nature of the CLASS program's inclusion in the health care law is just a sample of the budget gimmicks used to pass the health care law in the dark of the night nearly 2 years ago. The President will have to explain why, years later, the taxpayers are left with a failed program that will cost this Nation at least \$80 billion. That is more than 150 Solyndra scandals.

[Time: 16:00]

Shelving this failed program is not enough. As long as it is on the books, it will continue to create substantial uncertainty in the private sector about what the government's role in long-term care insurance will be. Let's repeal the CLASS program, not try to tinker around the edges of a fundamentally flawed model, and take up real solutions to this problem instead.

I urge my colleagues to support H.R. 1173, to repeal the failed CLASS program so that we can move forward with reforms that work.

And with that, I reserve the balance of my time.

Mr. PALLONE. I yield, Madam Chair, 2 minutes to the gentlewoman from California (Mrs. *Capps*).

Mrs. CAPPS. I thank my colleague from New Jersey for yielding.

Madam Chair, I rise today in opposition to this bill. We all know that we have a long-term care crisis in this

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country. What we have now is an unsustainable patchwork approach, with wealthy people having access to private plans, while almost everyone else finds the costs incredibly prohibitive.

These are the folks who fall through the cracks every day, spending down all their assets until there's nothing left, and then relying on our strained Medicaid program for care. This is what the CLASS program tries to avoid. It should provide a modest, but meaningful, benefit to individuals who need support to stay out of costly nursing homes, benefits they've already paid into.

We can all agree that the CLASS program, as currently written in the statute, is not perfect, but few things are. We can use it as a framework upon which to fix and implement this program, one that would be amended, improved and made sustainable, rather than destroyed.

Repealing the CLASS Act does not remove the Nation's need for long-term care. Rather, it makes the path to sustainable solutions much more difficult. Moreover, in the majority's rush to repeal, they have overlooked a vital component that will also be affected by this bill, the National Clearinghouse for Long Term Care.

The clearinghouse, which was established with close-to-unanimous Republican support, is the only dedicated place for individuals to learn about their long-term care options. However, a vote for this bill is a vote to strip funding from this vital public resource. In fact, the original bill abolished the program altogether until I fought to save it in our committee.

And while the authorization has been saved, we all know that a program without any funding is not much of a program. So the result is yet one more obstacle for American families trying to care for their loved ones. These are the people who will lose out, and definitely lose out by this repeal.

So I strongly urge my colleagues to vote against this bill.

Mr. PITTS. Madam Chair, I yield 1 minute to the gentleman from Illinois (Mr. *Lipinski*).

Mr. LIPINSKI. I rise today in support of fiscal responsibility and in support of H.R. 1173. The CLASS program was created with a good intention, relieving the crushing burden of long-term care. But we have known from the beginning that this program would not be able to sustain itself without a massive bailout from taxpayers. The CBO said so. Medicare's Chief Actuary said so; and, more recently, Secretary Sebelius concluded the CLASS Act was totally unsustainable and decided not to implement it; and for this, I give her credit.

But the program is still in law. And given the trillion-dollar deficits that we face, the only option right now is to make sure that the taxpayers are not left with an unsustainable program in a big bill.

This debate should not be about the health care law in general. It should be about this program. It should be about doing what is fiscally responsible, and that is eliminating the CLASS program and getting to work right now in a bipartisan manner on a solution to long-term care.

Mr. PALLONE. Madam Chair, can I inquire how much time remains on each side.

The Acting CHAIR (Mrs. *Emerson*). The gentleman from New Jersey has 9 minutes remaining. The gentleman from Pennsylvania has 7 1/2 minutes remaining.

Mr. PALLONE. Madam Chair, at this time I yield 1 1/2 minutes to the gentleman from Illinois (Mr. *Davis*).

Mr. DAVIS of Illinois. I thank the gentleman from New Jersey for yielding.

H.R. 1173 would eliminate the potential for many of our citizens to be able to afford long-term care that provides services and other supports. This effort to remove support services is not the solution, but instead a faulty and irresponsible policy initiative which would burden people in our health systems. Regardless of when individuals may need these services, there is a lack of financing options to help them pay for the services they need to maintain their health, independence, and dignity when they lose the capacity to perform basic daily activities without assistance.

Medicare does provide limited pay for long-term care services. Medicaid does cover, but pays only for services for people with very limited means. Many private long-term care insurance plans are costly and difficult to acquire. I say that the real answer is to retain services that we are currently poised to provide.

I oppose H.R. 1173.

Mr. PITTS. Madam Chair, I yield 1 minute to the gentleman from Kentucky (Mr. Guthrie).

Mr. GUTHRIE. I thank the gentleman for yielding.

I rise today in support of H.R. 1173, to repeal the CLASS Act established in the Patient Protection Affordable Care Act.

The CLASS Act was unsustainable and unworkable from the time it was enacted. Even at the time the health care bill was passed, it was evident that the health care program was completely unworkable. The CLASS Act is such an egregious budget gimmick that even Health and Human Services Secretary Kathleen Sebelius has admitted the program is unsustainable.

Repeal of the CLASS Act isn't as scary as those on the other side would have you think it would be. In fact, the Obama administration has already acknowledged the program is unworkable in its current form and has halted efforts to establish the program. However, the CLASS Act remains on the books.

I strongly support ensuring Americans have access to long-term care. In order to move forward with a new plan, we need to get the CLASS Act off the books.

I urge my colleagues to support this bill.

Mr. PALLONE. Madam Chair, I yield 1 1/2 minutes to the gentlewoman from Connecticut (Ms. DeLauro).

Ms. DeLAURO. I rise in strong opposition to the repeal of the CLASS Act.

We are at another start of another session of the Congress, and this majority is following the same playbook as last year. The American people are waiting for this institution to do something--anything--to create jobs and restore our economic prosperity instead of putting forward ideological bills that have nothing to do with jobs and that are intended to roll back health care and senior care in America. Right now, less than 10 percent of Americans over 50 have long-term health care insurance, even though a large percentage of individuals will need long-term care services at some point.

Some studies indicate that up to two-thirds of Americans that live beyond 65 will need long-term care. The CLASS Act, a bipartisan addition to the 2010 health reform, seeks to

help provide access to quality, affordable insurance for long-term care. The program must be actuarially sound and legally solid.

Why would we repeal this bill? It is time for the majority to stop playing games and to get serious about fixing the economy. America needs more jobs, not less health care.

I urge my colleagues to stand up for seniors and oppose this repeal.

Mr. PITTS. I reserve the balance of my time.

Mr. PALLONE. Madam Chair, I yield 2 minutes to the gentleman from Texas (Mr. *Doggett*).

Mr. DOGGETT. Is it just too much to ask that seniors that are struggling in a nursing home after a lifetime of work get a little economic security, that they get a little dignity? Is it too much to bring just a little peace of mind to a family that is burdened with a parent that is suffering from Alzheimer's or some other debilitating condition? Sadly, this does appear to be too much to ask from some here.

One year ago, the House Republican majority's first major action, once they gained control of Congress, was to repeal health insurance reform. At the time they did that, they said they were for "repeal and replace." But the only replacement they offered for their repeal was a little flimsy 1 1/2 -page bill that I call "the 12 platitudes."

[Time: 15:00]

They proved to be only platitudes because during the intervening months, they've done nothing about long-term health care or any other kind of health care for the American people.

Today, they continue to deny Americans actual solutions to health care problems, and once again, they have a flimsy 1 1/2 page bill. They don't have "repeal and replace," they have "repeal and deny." They're in a state of

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denial that there is a problem with long-term care, and they continue to deny meaningful relief to families that are struggling with health care bills, and particularly, long-term health care bills.

There is a 75 percent chance that some American who reaches age 65 will find themselves in need of long-term care. Paying for that care can bankrupt a family and the children of a parent who needs that kind of care. An average cost for nursing home services, for example, of \$70,000 can surely and quickly sink a lifetime of savings.

The CLASS Act is far from perfect. It needs to be changed. But instead of repealing it, we ought to be focusing on necessary changes. Where is the commitment to doing something about long-term care? There haven't even been hearings on how to resolve this problem.

The Acting CHAIR. The time of the gentleman has expired.

Mr. PALLONE. I yield the gentleman another 30 seconds.

Mr. DOGGETT. There was a legendary Texas House Speaker of this body, Sam Rayburn, who said that it takes a master carpenter to build a barn but any mule, I think he said, can tear one down.

Well, it's time that we get together to build a solution for long-term health care, not just tear it down.

Mr. PITTS. It is unconscionable to promise something to people when you know it won't be there.

Your own administration admits the CLASS Act doesn't work. Zero people will be enrolled in the CLASS Act. They have a program that does not work, a program they know that does not work. That is building a false sense of security in people instead of working on the real policy.

I yield 2 minutes at this time to the gentleman from Texas (Mr. *Hensarling*), our conference chair.

Mr. HENSARLING. Madam Chair, it is clear that the President's policies have failed. One in seven now have to rely on food stamps. Half of America now is either classified as low income or in poverty, and millions remain unemployed.

Yesterday, the Congressional Budget Office announced one more of the President's failures, and that is, he is on track to deliver his fourth trillion dollar-plus deficit in a row.

Somebody needs to tell the President we've got to quit spending money we don't have for jobs we never get.

One more failure, Madam Chair, is the President's health care program. Not a week goes by that I don't hear from hardworking, small business people in the Fifth District of Texas.

I heard from a furniture businessman in Garland, Texas, who told me: I could start two companies and hire multiple people, but based on this administration and the lack of facts with ObamaCare, I'll continue to sit and wait.

I heard from a gentleman who ran a music business in Palestine, Texas: Our business is hampered by the uncertainty of tax policy, regulations, and ObamaCare.

I had one in Dallas, Texas, after having to lay off 24 people in the last 2 years, who wrote to me and said: You know what? We're going to have to terminate one more in February due almost entirely to the impact on my business of the health care reform we have. We are stymied.

There is no doubt that the President's health care plan is killing jobs. House Republicans have repealed it in its totality. It has been blocked by the President, by Democrats. So if we can't do it in its totality, we'll do it piecemeal.

We need to start out by repealing the CLASS Act, which Secretary Sebelius has said is totally unsustainable. Democrat Senate Budget Committee Chairman *Kent Conrad* called it a Ponzi scheme of the first order.

The President's policies have failed. It's time to enact the House Republican Plan for America's Job Creators. It's time to repeal the CLASS Act.

Mr. PALLONE. Madam Chair, I yield 2 minutes to the gentleman from New Jersey (Mr. *Pascrell*).

Mr. PASCARELL. Madam Chair, I'm tired of hearing the President is a failure. I'm tired. You can smirk all you want. There's no perfection on this floor. There's no perfection down the street. You didn't give these speeches in 2008 when we were losing 500, 600, 700,000 jobs a month. Not one of you came to the floor. Shame on you.

Now what we want to do, we want to turn our backs on those 10 million Americans currently who need long-term care. We have no alternative.

We all agree that there needs to be change in the present system that has yet to work. We have to find a way to make long-term care both accessible and affordable. These problems will not simply disappear. They're not going to go away.

This bill certainly does not fix these problems. The bill does not even provide an alternative. All it does is attack the progress made in the Affordable Care Act. You've tried to wean it down. You've tried to bevel it. You've tried to covet. You tried to take all the money away that's going into it in order to have a system in this country that was not sustainable in the first place.

Sixty-two percent of small businesses over the last 5 years went under because they couldn't pay their health care bills, and you stand there with no alternative whatsoever. Whatever happened to the "replace" part of the "repeal and replace?" Remember that? That nonsense we heard last year?

Without the CLASS Act or an alternative, people who struggle the most with daily tasks due to illness will be the ones to suffer. You know that. You know there are millions of people out there suffering, yet we have not come up with an alternative plan. Yet you condemn this, yet you accuse everybody of failing, but you don't have a plan yourself.

Where is your heart for the middle class? Have you no heart?

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Members should remember that all remarks must be addressed to the Chair and not to one another in the second person.

Mr. PITTS. I continue to reserve the balance of my time.

The Acting CHAIR. The gentleman from New Jersey has 2 minutes remaining. The gentleman from Pennsylvania has 4 minutes remaining.

Mr. PALLONE. I suggest that you go next because I only have myself, and then we're going to move to Ways and Means.

Mr. PITTS. Madam Chair, I believe we have the right to close, and we have just one speaker.

I reserve the balance of my time.

Mr. PALLONE. I yield myself the balance of the time.

Madam Chair, I just want to stress again, you know, I hear from the other side of the aisle over the years how people should take personal responsibility. The idea of the CLASS Act is that people pay into the trust fund, and then when they become disabled, they take the money out to pay for services so that they can stay in their home and don't have to go to a nursing home.

Now, when they do that, they save the government money because this is their own money that is being spent to keep them in their home, to keep them in the community so they don't have to spend down and then eventually become a ward of the State, essentially, because Medicaid ends up paying for their nursing home care.

So this is a solution to a long-term care problem. Not a complete solution, but certainly a partial solution.

I agree with Mr. *Pascrell*, which is that when I listen to the other side of the aisle, the gentleman from Texas was quite clear: Let's repeal the entire Affordable Care Act. If we can't repeal the whole thing, then we'll repeal it piecemeal piece by piece, which is what's

going on here today. Well, again, it's not a very responsible position unless you come up with an alternative.

We're in the Energy and Commerce Committee. We've had hearings on this. I've yet to hear anyone come up on the Republican side with an alternative. All they keep saying is let's just repeal this and we'll figure something out down the line.

The problem with that is that Mr. *Pascrell* said there are 10 million Americans who need long-term care. Soon it will be 15 or eventually 20 million. So every day that goes by there is not a solution for these people, and the disabled community and the senior citizen community are crying out for some kind of relief.

So all I say to my colleagues on the other side of the aisle is, don't just keep talking about repeal. I'll use the term ``mend it, don't end it." Let's not

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end today the effort to try to find long-term care solutions for America's seniors and for the disabled.

[Time: 15:10]

It simply isn't fair to come here on the floor repeatedly and say ``repeal, repeal, repeal" and not have an answer. At any time, I am more than willing to sit down with the chairman of the subcommittee or with any other Member and come up with a bipartisan solution, but I haven't heard it yet.

The Acting CHAIR. The gentleman's time has expired.

Mr. PITTS. Madam Chair, to close on our side, I yield such time as he may consume to a distinguished member of the Health Subcommittee, the gentleman from Georgia, Dr. *Gingrey*.

The Acting CHAIR. The gentleman from Georgia is recognized for 4 minutes.

Mr. GINGREY of Georgia. Madam Chairman, as the co-lead sponsor of this bill, I rise in strong support of H.R. 1173. I commend Dr. *Boustany* and Chairman *Pitts* for their leadership on this issue, and I thank Mr. *Lipinski* on the Democratic side.

In response to a question I put to him in March of last year, CBO Director Douglas Elmendorf wrote: ``The Secretary of Health and Human Services has now concluded that the CLASS program cannot be operated without mandatory participation so as to ensure its solvency." HHS Secretary Kathleen Sebelius called the program insolvent, and Democratic Senator *Kent Conrad*, chairman of the Senate Budget Committee, called the

program in 2009 a Ponzi scheme. In fact, he went on to say that it would make Bernie Madoff proud.

Madam Chair, during its consideration in 2009, CMS Actuary Richard Foster told the Obama administration staff: "Thirty-six years of actuarial experience lead me to believe that this program would collapse in short order and require significant Federal subsidies to continue." He was ignored. In fact, he was eventually cut out of the email loop. The Health Committee on the Senate side and the staff of Senator Kennedy didn't want to hear any more from him.

Subsequently, in December of 2010, the President's fiscal commission recommended Congress reform or repeal--not amend--the CLASS Act. The commission report stated: "Absent reform, the CLASS program is likely to require large general revenue transfers or else collapse under its own weight. The commission advises the CLASS Act be reformed in a way that makes it credibly sustainable over the long term. To the extent this is not possible, we advise it be repealed."

In February of 2011, Secretary Sebelius testified before a Senate Finance Committee hearing that the CLASS program was "totally insolvent" as structured and needed to be reformed in order to work. Then, in October of 2011, the Secretary released a report on the CLASS Act that essentially found the Obama administration could not make the program actuarially sound or credibly sustainable, to quote the President's fiscal commission, over a 75-year period.

Thank God for Senator Judd Gregg for putting that amendment in on the Senate side that called for fiscal sustainability and the certification by the Secretary over a 75-year period of time or it could not go forward, and that's exactly what happened.

Based on the evidence the CLASS program is not simply flawed--it is broken. As currently written, it poses a clear danger to the fiscal health of our budget and to the American taxpayer. In defending this broken program, some of my colleagues have told me that there is no need to repeal CLASS because the Secretary has already abandoned it. Yet every day that we delay in repealing CLASS, we prevent Congress from passing meaningful, true long-term care reform. All sides admit that CLASS does not work, so the prudent step is to repeal it.

In closing, I urge all of my colleagues to support this legislation so that we can get to the meaningful reform of long-term care and have the marketplace work its magic in regard to this so that the penetration is greater than the current penetration, which is less than 10 percent.

With that, Madam Chairman, I would urge all of my colleagues to support the repeal of a broken, failed program, the CLASS Act.

The Acting CHAIR. The time of the gentleman has expired.

Mr. BOUSTANY. Madam Chair, I yield myself such time as I may consume.

As a physician, I know firsthand of this really dire need to solve the problem for many families across this country who are struggling with their long-term care needs. I am the oldest of 10 children, and my father was a physician. He died 3 years ago from a lengthy illness, and required a lot of care at home. He did not have long-term care, but we gladly bore that burden and were able to provide for him even though it was somewhat of a strain.

This is a serious problem facing every single family in this country. Yet what we've seen now is a program that was created in ObamaCare, a program that is clearly unsustainable by the administration's own admission. After almost a year now of wrangling about this, they've finally come to the conclusion that we knew before the bill even passed: that this was unsustainable, that it was unworkable, that it was fatally flawed.

As a physician, I know the worst thing you can do for someone is to create false hope, and that's what this has done. As long as this stays on the books, on the statute books, we're not going to get anything done on this. We're not going to solve it. Now, there are many

good ideas on both sides of the aisle, and we've discussed some of them in the Ways and Means Committee. There are bills on both sides of the aisle on which I believe we could work together in a true bipartisan fashion to solve this problem--but the CLASS program is clearly not the answer.

Washington should learn three lessons from this debacle, ObamaCare's failed government-run program:

First, don't ignore reality. Democrats ignored the expert actuarial warnings when they used CLASS as a budget gimmick in ObamaCare. President Obama cannot create a self-funded sustainable program that prohibits underwriting unless he intends to force healthy Americans to participate. What does that mean? Madam Chair, that means an individual mandate, another individual mandate.

Many constitutional scholars think that this is unconstitutional. We don't need another individual mandate. In fact, Senator *Harkin* said that the problem with CLASS is that it's voluntary. I think he basically put the cards on the table and showed that what they want to do to fix CLASS is to give us another individual mandate. Most enrollees in CLASS will be high-risk, causing premiums to skyrocket under the current program, making CLASS even less appealing to average American families. The premiums will be unsustainable, and it will require subsidies from the taxpayer.

So, the first lesson: Don't ignore reality.

The second lesson: Don't break the law.

The administration planned to break the law by excluding Americans made eligible by the statute. When the Congressional Research Service attorneys warned of lawsuits, I sent letters to Secretary Sebelius for her legal authority to make this change. She then subsequently suspended the program, but this doesn't correct the bad law. Unless we repeal CLASS, the Department of Health and Human Services will break the law when it misses the deadline in October and again in 2014. That's not a very good example to set for the American people to have the administration breaking the law.

So, first, don't ignore reality.

Second, don't break the law.

Third, don't compound our Nation's long-term fiscal problems.

A Democrat under the Clinton administration, former Congressional Budget Office Director Alice Rivlin, wrote: Since the CLASS program is a new unfunded entitlement, it should be repealed because it will increase the deficit over the long term. In fact, the President's own deficit commission agrees that our grandchildren simply cannot afford a new budget-busting entitlement.

We can do better than this, Madam Chair, and we can work together to solve this problem. I urge my colleagues on both sides of the aisle to support this CLASS repeal, to support

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H.R. 1173. Beyond this, we will have the impetus to actually do some real work to create a real program that works for the American people. We can make it easier for disabled Americans to save for future needs; we can expand access to affordable, private long-term care coverage; and we can better educate Americans on the need for retirement planning.

CONGRESS OF THE UNITED STATES,

Washington, DC, January 31, 2012.

Hon. **KATHLEEN SEBELIUS,**

U.S. Department of Health & Human Services, Independence Ave., SW., Washington, DC.

DEAR SECRETARY SEBELIUS: We write this as a follow up to our unanswered November 2011 letter to President Obama regarding the failed CLASS program. In the letter, we asked whether the Administration has a legal obligation to implement the program.

Last year, you announced you could not find "a viable path forward for CLASS implementation at this time." Legal experts at the Congressional Research Service (CRS) say you do "not appear to have discretion to decide whether or not to designate a plan by

October 1, 2012." If the deadline expires, they say you will be "committing a facial violation" of the 2010 health law. Finally, "the CLASS Act does not preclude judicial review" and "a failure by the Secretary to designate a CLASS benefit plan by October 1, 2012 would appear to be a final agency action from which legal consequences will flow." "

In light of the findings by the CRS, does the Obama Administration intend to openly violate the law as the 2012 and 2014 deadlines for CLASS expire? If not, when do you intend to resume implementation of CLASS? What justifications can the Administration provide to Congress and the American people in the event that the Secretary's failure to adhere to the law results in a costly court battle, effectively delaying meaningful long-term care reform in the process? Please expedite a written response to these questions.

Democrat and former Congressional Budget Office Director Alice Rivlin wrote: "Since the CLASS program is a new unfunded entitlement, it should be repealed because it will increase the deficit over the long term."

Our grandchildren simply cannot afford a new budget-busting entitlement. We urge you to join us in support of CLASS repeal, and to support bipartisan efforts to expand access to affordable private long-term care coverage.

We appreciate your attention to this matter.

Sincerely,

CHARLES W. BOUSTANY, Jr., MD,

Member of Congress.

Phil Gingrey, MD,

Member of Congress.

I reserve the balance of my time.

[Time: 15:20]

Mr. STARK. Madam Chair, I yield myself such time as I may consume

I'd like to point out that the last time I watched television, they told me that we still have troops in Afghanistan who should be brought home. And we've not addressed the Medicare physician payment cuts, the payroll tax cut extension, unemployment insurance extension. Roads, bridges, and public transit systems are falling apart, and Congress hasn't brought forth legislation to invest in the infrastructure to repair those vital structures. And we continue to have an imbalanced Tax Code that lets Members of Congress get richer at the expense of working families, and we've done nothing to change that.

Yet rather than tackle any serious problems, the Republicans are using the very little time that they permit Congress to be in session to debate repealing the law that the President has already made clear will not be implemented. In other words, we should repeal a law that isn't going to happen. Now, that's a vital use of our time. He's clearly stated, the President has, that the CLASS Act, as part of the Affordable Care Act, can't meet the tests put in the statute.

Now, remember that Republicans probably would like to repeal all of ObamaCare, and I'm not sure exactly which part they want mostly to repeal. In other words, I assume that the 2.5 million youngsters who now get health insurance, the Republicans would like to kick them off the rolls and let them go to work or earn their own way to health insurance.

It's lowered prescription drug costs, ObamaCare has, for millions of seniors, for a bill that the Republicans wrote that was too costly. I presume the Republicans would like to raise the cost of pharmaceuticals for seniors. Republicans generally like to do anything that the pharmaceutical obviously asks them to do, and I'm surprised they haven't brought that up yet.

I understand that my good friend, Dr. *Boustany*, actually has the makings of a bill that would help long-term care. And I also understand that the only reason he hasn't introduced it--I'd be glad to make it an amendment if it's ready to go right now--is that the health insurance industry doesn't like it. Well, if the health insurance industry doesn't like it, it must be spectacular, and I hope we'll see it. Maybe you'll tell us a little bit about it, and I'd like to applaud it because he has done some great work in this area, and we need to do this.

The fully implemented ObamaCare, health care, whatever you want to call it, by 2014 will extend affordable, quality medical care to 32 million uninsured Americans. That's a plan. Maybe we could change it. Maybe we could make it quicker. Maybe we would extend it to more people. Maybe we could save some money. But that has to come from the other the other side of the aisle.

We oppose this, and I'd like to think that our Republican friends would work with us to improve it and move us in that direction.

I'd like to highlight a letter of opposition to repealing the CLASS Act that is signed by more than 70 organizations representing millions of senior citizens, people with disabilities, and people suffering from various diseases. These groups include: AARP, the Autism National Committee, the AFL-CIO, and Easter Seals, and United Cerebral Palsy.

They urge Congress to ``reject H.R. 1173, and instead focus on a constructive path forward."

I ask that this letter be inserted into the **CONGRESSIONAL RECORD** as part of this debate.

January 31, 2012.

Hon. *John Boehner,*

Speaker of the House, House of Representatives, U.S. Capitol, Washington, DC.

Hon. *Nancy Pelosi,*

Democratic Leader, House of Representatives, U.S. Capitol, Washington, DC.

DEAR SPEAKER BOEHNER AND DEMOCRATIC LEADER PELOSI: The undersigned organizations write to oppose legislation, H.R. 1173, to repeal the Community Living Assistance Services and Supports (CLASS) program and respectfully urge members to reject such legislation.

In 2008, 21 million people had a condition that caused them to need help with their health and personal care. Medicare does not cover long-term services and supports (LTSS), yet about 70 percent of people over age 65 will require some type of LTSS at some point during their lifetime. As our population ages, the need for these services will only grow. In addition, about 40 percent of the individuals who need LTSS are under age 65 and LTSS can enable individuals to work and be productive citizens.

Regardless of when individuals may need these services, there is a lack of financing options to help them plan and pay for the services they need to help them live independently in their homes and communities where they want to be. Family caregivers are on the frontlines. They provided care valued at \$450 billion in 2009--more than the total spending on Medicaid that year. Private long-term care insurance helps some people pay for the cost of services, but it is not affordable for most, and some people are not even able to qualify for it. Too often, the cost of services wipes out personal and retirement savings and assets that are often already insufficient--as a result, formerly middle class individuals are forced to rely on Medicaid to pay for the costs of LTSS. There are few options for individuals to help them pay for the services they need that could help them delay or prevent their need to rely on Medicaid, the largest payer of LTSS.

That's why we support the CLASS program--to give millions of working Americans a new option to take personal responsibility and help plan and pay for these essential services. CLASS could also take some financial pressure off Medicaid at the state and federal levels--paid for by voluntary premiums, not taxpayer funds. For us, this is about

the financially devastating impact that the need for LTSS has on families across this country every day and the essential, compelling and urgent need to address this issue. Every American family faces the reality that an accident or illness requiring long-term care could devastate them financially. This issue affects the constituents of every U.S. Representative. CLASS is an effort to be part of the solution. The CLASS actuarial report established that CLASS can still be designed to be a "value proposition," although development work was still needed. The actuarial report also noted that federal actuaries "..... agreed that certain plans, designed to mitigate the adverse selection risk can be actuarially sound and attractive to the consumers." Rather than repeal CLASS, we urge continued dialogue and development of a viable path forward. The need to address LTSS and how these services will be paid for in a way that is affordable to individuals and society as a whole will not go away.

Families will continue to need a workable LTSS option to protect themselves; and a

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path forward is essential because the need for these services will only continue to grow. We appreciate your consideration of our views that are based on the experiences of millions of families across this country. We urge you to reject H.R. 1173, and instead focus on a constructive path forward.

Sincerely,

AAPD; AARP; ACCSES; AFL-CIO; AFSCME; Alliance for Retired Americans; Alzheimer's Foundation of America; American Association on Health and Disability; American Counseling Association; American Dance Therapy Association; American Geriatrics Society; American Music Therapy Association; American Network of Community Options and Resources; American Society on Aging; The Arc of the United States; Association of Assistive Technology Act Programs; Association of University Centers on Disabilities (AUCD); Autism National Committee; Autistic Self Advocacy Network; Bazelon Center for Mental Health Law; Brain Injury Association of America (BIAA).

California Foundation for Independent Living Centers; Cape Organization for Rights of the Disabled (CORD); Center for Independence of Individuals with Disabilities; Center for Independent Living of South Florida; Inc.; Children and Adults with Attention-Deficit/Hyperactivity Disorder (CHADD); Coalition of Geriatric Nursing Organizations; Council for Exceptional Children; The Council on Social Work Education; Direct Care Alliance; Disability Rights Education & Defense Fund; Easter Seals; Epilepsy Foundation; Health & Disability Advocates; Inter-National Association of Business; Industry and Rehabilitation; LeadingAge; Lutheran Services in America; Mental Health America; The National Alliance for Caregiving; National Alliance on Mental Illness (NAMI); National Association of Area Agencies on Aging (n4a).

National Association of County Behavioral Health and Developmental Disability Directors (NACBHDD); National Association of the Deaf; National Association for

Geriatric Education (NAGE); National Association for Home Care & Hospice; National Association of Councils on Developmental Disabilities; National Association of Nutrition and Aging Services Programs (NANASP); National Association of Professional Geriatric Care Managers; National Association of Social Workers; National Association of State Directors of Special Education (NASDE); National Association of State Head Injury Administrators; National Center on Caregiving; Family Caregiver Alliance; The National Center for Learning Disabilities; National Committee to Preserve Social Security and Medicare; The National Consumer Voice for Quality Long-Term Care (formerly NCCNHR); National Council on Aging; National Council for Community Behavioral Healthcare; National Council on Independent Living; National Disability Rights Network; National Down Syndrome Congress.

National Multiple Sclerosis Society; The National Rehabilitation Association; National Respite Coalition NISH; Paralyzed Veterans of America; PHI-Quality Care through Quality Jobs; Physician-Parent Caregivers SEIU; Self-Reliance, Inc.; Services and Advocacy for GLBT Elders (SAGE); Social Work Leadership Institute/The New York Academy of Medicine; United Cerebral Palsy; United Spinal Association; Volunteers of America.

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LEADERSHIP COUNCIL OF

AGING ORGANIZATIONS,

January 30, 2012.

DEAR MEMBER OF CONGRESS: The Leadership Council of Aging Organizations, (LCAO) strongly opposes H.R. 1173, legislation to repeal the Community Living Assistance Services and Supports (CLASS) program. Please do not support this bill when it comes to the House floor this week.

The Leadership Council of Aging Organizations (LCAO) is a coalition of 66 national nonprofit organizations concerned with the well-being of America's older population and committed to representing their interests in the policy-making arena.

We support the CLASS program as a promising means of effectively financing the long-term services and supports that thousands of Americans come to need as they age or develop a disability. Every family faces these potential costs. CLASS gives families a framework for responsibly planning for their own long-term services and supports needs.

Our currently fragmented system of paying for long-term services and supports is in danger of crumbling under the weight of the baby boom generation. Already an estimated 10 million Americans need long-term services and supports, and this number is projected to increase to 26 million by 2050. Acknowledging the growing demand for services, the law also created the Personal Care Attendants Workforce Advisory Panel, work which

must move forward if we are to build the strong workforce that America needs to provide personal care services.

CLASS was developed to provide a coordinated, national public-private system for delivering long-term services and supports. 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 remain poor to receive the help they need. There is also an institutional bias in Medicaid whereby approximately two-thirds of all spending is directed towards nursing homes and other institutions instead of preferred community-based services and supports.

CLASS is a promising approach to effectively meeting the costs of long-term services and supports. Thousands of Americans do not qualify for private long-term care insurance due to underwriting practices, and this kind of insurance is unaffordable for many more. Reverse mortgages assume home ownership with substantial equity, which excludes thousands more individuals and families.

There is no effective and affordable alternative to CLASS at this time. We urge you to vote against H.R. 1173 when it comes to a vote this week in the House.

Sincerely,
William L. Minnix, Jr.,

*President and CEO,
Chair, LCAO.*

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American Federation of State, County and Municipal Employees, AFL-CIO,

Washington, DC, January 24, 2012.

DEAR REPRESENTATIVE: On behalf of the 1.6 million members of the American Federation of State, County and Municipal Employees (AFSCME), I write to urge you to oppose H.R. 1173, the misnamed Fiscal Responsibility and Retirement Security Act of 2011. The bill repeals the Community Living Assistance Services and Supports (CLASS) program, which was designed to be a voluntary insurance program to help American workers pay for long-term care services and supports that they may need in the future.

The need for the CLASS program is huge and growing. Nearly 70% of people turning 65 today will need, at some point in their lives, help with basic daily living activities, such as bathing, feeding and dressing. Repealing the CLASS program and replacing it with absolutely nothing offers no help to millions of Americans who want to maintain their health, independence, and dignity when they lose the capacity to perform basic daily activities without assistance.

Medicare does not cover long-term care services. Medicaid does cover long-term care but Medicaid pays only for services for people with very limited financial means. Private long-term care insurance can be costly and difficult to purchase, especially if an individual has a pre-existing condition. Indeed, only about one-in-ten Americans age 55 and older has long-term care insurance.

The CLASS program is not perfect and may need modifications, but now is not the time to accept the status quo for the financing of long-term services and supports, which relies by default almost exclusively on Medicaid. Repealing the CLASS program is not a solution and promotes a fiscal default policy of increasing Medicaid costs and requiring middle-class Americans to impoverish themselves in order to obtain long-term care. We urge you to oppose H.R. 1173.

Sincerely,

CHARLES M. LOVELESS,
Director of Legislation.

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LEADINGAGE,

Washington, DC, January 17, 2012.

DEAR WAYS AND MEANS COMMITTEE MEMBER: I understand that the Ways and Means Committee will vote January 18 on H.R. 1173, legislation to repeal the Community Living Assistance Services and Supports (CLASS) program.

I strongly urge you oppose this bill. American families need the CLASS program to effectively plan for the costs of long-term services and supports.

These costs now are covered primarily by Medicaid, an entitlement program that is a growing and unsustainable burden on both federal and state budgets. Currently Medicaid covers 49% of the total cost of paid long-term services and supports, making it the predominant source of financing in this field.

These costs will not disappear if the CLASS program is repealed, and there is no effective alternative to cover them. All but the wealthiest Americans have insufficient income and savings to cover the cost of long-term nursing home care or even extensive services provided in a home- and community-based setting. Private long-term care insurance, for which there already are tax incentives, covers only a small fraction of long-term services and supports. Reverse mortgages are becoming less useful as a source of long-term services and supports financing due to the current state of the real estate market.

Without CLASS, people who need help with the most basic activities of daily living will continue to be thrown onto the Medicaid rolls. The federal and state governments will have to continue paying for needed long-term services and supports, but without the revenues that the CLASS program would generate.

Over the last several decades, policymakers, health economists and other experts have given much thought and debate to the issue of financing long-term services and supports. CLASS developed out of all of this deliberation as the proposal with the most promise for establishing a healthy, ethical and affordable system of financing these costs. This program can give families an affordable means of planning for their futures and for the long-term services and supports needs that inevitably arise.

I hope you and members of your family will never come to need the kinds of services for which CLASS was designed to pay. But if you ever do, you will understand fully why the CLASS program has attracted such broad support.

Repealing CLASS would undo years of work toward an effective means of financing long-term services and supports needed and

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used by thousands of Americans and their families. What other option addresses these needs?

Please oppose H.R. 1173 when it comes before the Ways and Means Committee.

Sincerely,

William L. Minnix, Jr.,
President and CEO.

Madam Chair, how much time do I have remaining?

The Acting CHAIR. The gentleman from California has 7 1/2 minutes remaining.

Mr. STARK. I yield 2 minutes to the gentleman from Wisconsin (Mr. *Kind*).

Mr. KIND. I thank my friend from California for yielding me this time.

Madam Chair, I rise in support of the resolution. I do so because I believed at the time when the CLASS Act was inserted in the Affordable Care Act it wasn't a sustainable program. And sure enough, when Secretary Sebelius and those at the Department of Health and Human Services had a chance to analyze it and try to implement it, they reached the same conclusion.

I just hope that today my Republican colleagues don't take too much glee or delight over the fact that this resolution will pass and it repeals yet another small section of the

Affordable Care Act, because just by repealing it without replacing it doesn't solve the problem with the rising long-term health care costs that our Nation faces.

I know my friend Dr. *Boustany* shares his interest in trying to find a fix to this situation, and I hope that the parties are able to come together and address one of the paramount challenges that we're still facing in health care: How do you incent young, healthy people to invest in their long-term health care needs? It's difficult to do.

And I appreciate the work by those who supported CLASS, recognizing the challenge that we faced and trying to come up with a solution. This just wasn't the answer.

And to my Democratic colleagues, I never believed that passage of the Affordable Care Act--which I did support--was the end-all, be-all for health care reform. In fact, the great potential of the Affordable Care Act was the vast experimentation that needs to take place in reforming the health care delivery system and the payment system to learn what's working and what isn't working and then drive the system to greater efficiency, better quality outcomes, and a better bang for our buck. That, to me, is what health care reform is going to look like in the years to come. It's going to be an ongoing effort trying to determine what is working and what isn't. The CLASS Act, clearly, the way it was structured, was something that wasn't going to work.

So I agree with the resolution today that we should repeal it. It's the same conclusion the administration, having a chance to look at it, reached themselves. But it doesn't leave us off the hook of trying to find a solution to one of the great challenges of long-term health care in this country.

So I would encourage my Republican colleagues--and I know many of them share this sentiment, that this does not end the work that has to go on. We've got to figure out a way to start talking to each other, listening, trusting each other to come up with some solutions. This isn't that solution today.

Mr. BOUSTANY. Madam Chair, I yield 2 minutes to the gentleman from California (Mr. *Herger*), the distinguished chairman of the Health Subcommittee on the House Ways and Means Committee.

Mr. HERGER. Madam Chair, I rise in strong support of H.R. 1173, the Fiscal Responsibility and Retirement Security Act.

It's now clear that long before the Democrats' health care overhaul was passed, the Obama administration knew that the CLASS Act was a seriously flawed program that could not be implemented. For example, Medicare actuary Rick Foster said way back in June of 2009: ``Thirty-six years of actuarial experience lead me to believe that this program would collapse in short order and require significant Federal subsidies to continue."'

Yet these warnings went unheeded and the CLASS Act remained in the health care bill 9 months later because it created an illusion of budget savings, an illusion based entirely on the fact that it was designed to collect premiums for a full 5 years before it would have to start paying benefits. Yesterday the Congressional Budget Office estimated that the cost of Federal health care entitlement programs will more than double over the next decade.

Madam Chairman, for the sake of our Nation's future, we must get these costs under control. The CLASS Act is an unsustainable program that, if it ever begins operating, would inevitably need a major taxpayer bailout. By repealing it today, Congress can send a clear message that we are going to start finding solutions to rising health care costs instead of making the problem worse.

Mr. STARK. I reserve the balance of my time.

Mr. BOUSTANY. Madam Chair, may I ask how much time remains?

The Acting CHAIR. The gentleman from Louisiana has 3 1/2 minutes remaining, and the gentleman from California has 5 1/2 minutes remaining.

Mr. BOUSTANY. I yield 1 1/2 minutes to the gentlewoman from Kansas (Ms. *Jenkins*), a member of the House Ways and Means Committee.

[Time: 15:30]

Ms. JENKINS. I thank the gentleman for yielding.

There aren't many areas where the former Kansas Governor and current Secretary of Health and Human Services, Kathleen Sebelius, and I agree, but one thing that we do agree on is that the CLASS Act portion of the President's health care package is completely unviable and needs to be stopped.

That's why I was glad to hear the Secretary backtrack on her prior support and pull the plug on the program, and it's why I support a statutory repeal of the CLASS Act today. This act was designed as a new national entitlement for purchasing community-living assistance services, and it was used by this administration as a pay for to substantiate their faulty claim that ObamaCare was going to reduce the deficit.

However, as I and many others pointed out at the time, the deficit reduction claim was bogus and based on budget gimmicks that proved false when HHS began implementation. You see, the CBO can only project the cost of bills in a 10-year budget window, so the Obama administration used a budget trick by setting up the CLASS Act to begin collecting premiums in 2012 but not paying out benefits until 2017. Great for years 1 through 10, but very bad for years 5 through 15 or later.

This gimmick led CBO to report that the program would reduce the deficit, but it certainly doesn't take a CPA to realize that these initial savings can't be sustained over time. While we anxiously await the Supreme Court's decision on the constitutionality of ObamaCare's individual mandate, I urge my colleagues to support the repeal of this failed portion of the bill today so we can get this budget gimmick off the government's books.

Mr. STARK. I reserve the balance of my time.

Mr. BOUSTANY. Madam Chair, I'm pleased to yield 1 minute to the gentlewoman from Tennessee (Mrs. *Black*), a member of the Ways and Means Committee.

Mrs. BLACK. I thank the gentleman for yielding.

Madam Chair, I rise today in support of my colleague from Louisiana's legislation repealing this unsustainable budget gimmick created to make the health care law look less expensive.

The CLASS Act was a long-term entitlement that was plagued with problems from the very beginning. From day one, concerns were raised about the CLASS program's unsustainable cost structure, and the administration ignored it.

I have a chart that was presented to us in our Ways and Means Committee in the markup of this bill, and from the very beginning there were six different occasions, and up until March 20 when it was passed, of experts who said this was unsustainable, and they've already been referenced by prior speakers.

Since that time of passage there were four others, including Secretary Sebelius in October of 2011, who also said: "I do not see a viable path forward for the CLASS implementation."

This program, again, has been unsustainable from the very beginning. I think what is so sad is we continue to put our head in the sand and make the American people believe that this program is somehow workable. This needs to be removed from our law so we can

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start again. This is a nonpartisan issue, and we all need to work together in a bipartisan way. As a nurse for over 40 years working with the elderly, I recognize the need for long-term care.

The Acting CHAIR. The gentleman from Louisiana has 1 minute remaining and the right to close. The gentleman from California has 5 1/2 minutes remaining.

Mr. STARK. Madam Chair, in closing, I repeat that there are real problems in this country of much more urgency than trying to repeal a bill that doesn't do anything, that won't work, that the President has said won't be effective. I urge my colleagues to join me in voting "no" on this Republican agenda to tear down our health system. It's

mugwumpish. It just sticks your head in the sand and says let's repeal things and let's not go about fixing it.

As I said before, I'm sure Dr. *Boustany* has a great bill, and I'm hoping that he'll bring it to us and we can proceed to deal with the problem of long-term care for our senior citizens.

I have seven children who would like to see that done very quickly and get me off their hands, thank you very much. And so anything we can do together, I look forward to working with the distinguished gentleman.

With that, I yield back the balance of my time.

Mr. BOUSTANY. Madam Chair, I'm pleased to yield my remaining time to the gentleman from Minnesota (Mr. *Paulsen*), a distinguished member of the Ways and Means Committee.

The Acting CHAIR. The gentleman from Minnesota is recognized for 1 minute.

Mr. PAULSEN. Madam Chairman, I also want to rise in strong support of repealing this misguided CLASS Act. We knew from the start that the CLASS Act was fiscally unsustainable. But the President and those who supported the new health care law used this and inserted it as a budget gimmick to help pass the law. This new program was an illusion, an illusion that was crafted so government would start collecting funds long before it would pay anything out, making it seem as if it would raise revenue and save money. But in the long run it was obvious and it was clear the program would have disastrous effects.

The CMS Chief Actuary himself said that if implemented, the program would collapse. And after months of failed attempts, even the administration has finally admitted that the program was unworkable.

Madam Chair, Minnesota families and small businesses are tired of the smoke and mirrors coming out of Washington. Let's do the right thing today and repeal this terrible program, and let's focus on what's really important: putting Americans back to work. I want to thank my colleague on the Ways and Means Committee from Louisiana. He's a doctor, he's a physician, he's a leader in health care. Let's do the right thing and repeal this legislation.

- [Begin Insert]

Mr. STEARNS. Madam Chair, we need to repeal this bad legislation. As Chairman of the Oversight and Investigations Subcommittee, we looked into the CLASS Act and the actions of HHS. We issued a bicameral report on the failures of this fiscally reckless program.

Some Senate Democrats expressed that they ``had grave concerns that the real effect of the [CLASS Act] would be to create a new federal entitlement with large, long-term spending increase that far exceed revenues."

Perhaps the most damning indictment came from the Senate Budget Chairman who characterized CLASS Act as ``a ponzi scheme of the first order, the kind of thing that Bernie Madoff would have been proud of."

This legislation is so fiscally unsound that even the Secretary of HHS has announced that she does ``not see a viable path forward for CLASS implementation at this time." This despite all her statements in support of CLASS when the Democrats were ramming Obamacare down our throat.

Under CBO rules, the CLASS failure will cost American taxpayers \$86 billion--the most recent CBO project of the supposed savings from the CLASS Act. However, if CLASS had gone into effect, it would have increased our deficit by the third decade.

We need to repeal this fiscally unsound entitlement. We need to stop wasteful spending. We need to bring our country back to the path of fiscal responsibility and repealing CLASS is an important first step.

Ms. JACKSON LEE of Texas. Madam Chair, I rise in opposition to H.R. 1173, ``The Fiscal Responsibility and Retirement Security Act of 2011." This bill would repeal title VIII of the Patient Protection and Affordable Care Act and Supports, CLASS, Program--a national, voluntary long-term care insurance program for purchasing community living assistance services and supports. Title VIII also authorized and appropriated funding through 2015 for the National Clearinghouse for Long-Term Care Information, clearing house. H.R. 1173 would rescind any unobligated balances appropriated to the National Clearinghouse for Long-Term Care Information.

The CLASS Act was designed to provide an affordable long-term care option for the 10 million Americans in need of long-term care now and the projected 15 million Americans that will need long-term care by 2020.

The CLASS program would allow the disabled to be treated with respect and class. Yet, once again, instead of focusing on creating jobs, instead of finding means to reduce our deficit, instead of addressing the most pressing needs of our nation today, my Republican colleagues have put forth a measure that targets the aging and the disabled. They are supporting a measure that literally lacks class. This measure is a blatant attempt to repeal the Affordable Health Care Act one title at a time.

Like many Members of this body, I am disappointed that the Department of Health and Human Services, DHHS, has not been able to implement the CLASS provision of the Affordable Health Care Act. Although the CLASS program is not perfect, I cannot in good conscience support repealing it at a time when we have no viable alternative for affordable long-term care.

We have a growing aging population some of whom will require long-term care. CLASS provides the aging and the disabled with a solution that is self-sustaining, at no cost to tax payers.

As the estimated 76 million baby boomers born between 1946 and 1964 become elderly, Medicare, Medicaid, and Social Security will nearly double as a share of the economy by 2035.

With each generation, Americans have been fortunate to live longer lives; we continue to plan on how to meet the needs of the aging and the disabled. It is reasonable to assume that over time the aging of baby boomers will increase the demand for long-term care. Estimates suggest that in the upcoming years the number of disabled elderly who cannot perform basic activities of daily living without assistance may be double today's level.

Repealing the CLASS program does nothing to address the fact that private long-term care insurance options are limited and the costs are too high for many American families, including many in my Houston district, to afford.

In 2000, spending from public and private sources associated on long-term care amounted to an estimated \$137 billion, for persons of all ages. By 2005, this number has risen to \$206.6 billion.

Unless we act now, the costs associated with long-term care will continue to rise. As it stands, families are bearing the brunt of these costs. Less than a decade ago those who needed long-term care spent nearly \$37.4 billion in out-of-pocket expenses. This is not sustainable for the majority of families; less than a decade ago we were not recovering from a recession.

The issue before us today is how we intend to treat our aging and disabled at a time when they are in need of assistance that will have a direct impact on their quality of life.

CLASS comes into effect when a person is at his most vulnerable. For example, when individuals are unable to clothe or bathe themselves. CLASS would allow some individuals to remain in their home. It gives the aging, the disabled and their families a viable option. Long-term care encompasses a wide range of services for people who need regular assistance because of chronic illness or physical or mental disabilities.

Although long-term care might include some skilled nursing care it consists primarily of help with basic activities of daily living, such as bathing, eating, and dressing, and with tasks necessary for independent living such as shopping, cooking, and housework, in essence helping people who need help.

Traditionally, most long-term care is provided informally by family members and friends. Some people with disabilities receive assistance at home from paid helpers, including skilled nurses and home care aides. Nursing homes are increasingly viewed as a

last resort for people who are too disabled to live in the community, due to a number of factors, cost being one.

Madam Chair, I believe that we must leave the framework that exists in place and work with seniors, families, industry, HHS and others to find a way to make the CLASS Act or an alternative long-term care program work. We cannot and we must not allow Medicaid to continue to be the only affordable long-term care service available to Americans. American families should not have to spend down their savings or assets to access long-term care. We must not forget that this is an issue we must address. As of January 1, 2011, baby

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boomers will begin to celebrate their 65th birthdays for that day on 10,000 people will turn 65 every day and this will continue for the next 20 years

My career in Congress has been dedicated to expanding access to affordable, quality health care for the residents of the state of Texas, Houstonians, and all Americans, and the CLASS Act furthers that goal. It is clear that the CLASS Act is not perfect, and almost no piece of legislation can ever be, but that's why we rely on the professionals in federal agencies to work on implementation of the law.

I strongly believe that we can find a way to make this program work and I hope my colleagues on the other side of the aisle will work with me to ensure that affordable long-term care is available for anyone who needs it.

American families spend almost twice as much on health care through premiums, paycheck deductions, and out-of-pocket expenses as families in any other countries. In exchange, we receive quality specialty care in many areas that is the envy of many. Yet, they do not receive significantly better care than countries that spend far less.

Considering the amount that we spend on health care, it is surprising that Americans do not live as long as people in Canada, Japan, and most of Western Europe. Our health care system was in need of an overhaul. The landmark bill signed by President Obama in 2010 is designed to provide coverage to millions of people who currently lack it.

Under the Affordable Health Care law more than 32 million additional Americans are expected to get insurance, either through an extension of Medicaid or through exchanges where low and moderate income individuals and families will be able to purchase private insurance with federal subsidies.

A key part of the new health law also encourages the development of "accountable care organizations" that would allow doctors to team up with each other and with hospitals, in new ways, to provide medical services. There are dozens of good provisions in the Act that will ultimately benefit the public, if they are not repealed one title at a time. The CLASS Act is a good provision too--I stand by that notion--but just improperly designed.

At this stage, any change is difficult and change especially during a recession is extremely difficult. It is not possible to change a system as large and as hugely flawed, as ours without some disruptions. We are using fresh thinking and innovation to make sure everyone benefits--our citizens, our health care providers, small businesses, large corporations. I think the public is starting to slowly accept it. Over the course of several years and as more beneficial provisions take effect, this law will be more accepted, popular and possibly expanded.

Unfortunately, some in this Congress seems intent on not just undoing the CLASS Act, but the entire Affordable Health Care law. Everyone should have equal access to affordable health care and affordable health care service. Repealing a program that is intended to assist the aging and the disabled is not where this Congress should be spending its energy. We should be focused on legislation, like the one I proposed that would reduce the deficit, boost our nation's energy production, and create jobs. It appears as though my Republican colleagues seem more focused on putting forth bills that would cut taxes, cut services to the aging and disabled, and cut discretionary spending. Our priority should be to focus on legislation that will create jobs.

Mr. VAN HOLLEN. Madam Chair, H.R. 1173 exemplifies the GOP agenda in the 112th Congress: to reject constructive Democratic ideas, and fail to introduce any practical solutions to our nation's problems.

I think we are all in agreement that the Community Living Assistance Services and Supports, CLASS, Program--in its current form--needs work. However, simply repealing it conveniently ignores that we have a long-term care crisis in this country. Private long-term care insurance is too costly for most Americans and the alternative, spending down their assets in order to qualify for Medicaid, is financially devastating. Medicaid now accounts for nearly half of all long-term care spending, and as the nation's baby boomers age, federal and state budgets will face further strain. The CLASS program is intended to lessen the burden, providing working families a national, voluntary, and premium-financed insurance program that enables them to responsibly plan for long-term care.

Secretary Sebelius made the right decision to delay implementation of program because, under existing parameters, it could not be done in a financially solvent way. The Congressional Budget Office, CBO, estimated that the program would run surpluses through approximately 2029 but would begin adding to the budget deficit after that. We need to fix that. But let's try to mend it, not end it. Let's exhaust all of our options, confer with experts and beneficiaries, and see if we can find a viable path forward for the CLASS program. We must make every effort to make it solvent before we leave seniors and disabled individuals to the status quo for the foreseeable future.

Mr. CONNOLLY of Virginia. Madam Chair, we are not prepared, either as families or as a society, to pay for the long-term care supports and services most of us will need before we die.

Today 10 million Americans require some level of long-term assisted care, and that number is on pace to triple as the Baby Boom generation ages. Annual costs top more than \$200 billion, and that doesn't count the time and energy of family caregivers. The growing demand and costs for long term care cannot be ignored, yet that is precisely what this legislation does.

Not only does this legislation repeal the voluntary, self-supporting long-term care insurance program created by the Affordable Care Act, but it also repeals funding for the national clearinghouse of information on long-term care services that helps seniors, their families and caregivers navigate the maze of options.

HHS said it could not implement the CLASS Act as written. It did not say such a program should not be implemented at all. In fact, HHS said that 15 million Americans will require some form of long-term care in 2020, yet fewer than 3 percent will have long-term insurance coverage. It went on to say that allowing that to persist will only increase the burden on taxpayers at a time when we're working to reduce such federal health care costs.

Madam Chair, this is nothing more than an ideologically-driven attempt to undermine the President's signature initiative and score political points at the expense of our seniors. I urge my colleagues to reject this bill, so we can pursue a workable solution to this mounting challenge that threatens the safety and security of our seniors and our economy.

Mr. HOLT. Madam Chair, I rise today in opposition to the so called ``Fiscal Responsibility and Retirement Security Act of 2011", H.R. 1173.

H.R. 1173 would repeal the Community Living Assistance Services and Supports (CLASS) Act, which was included in health reform.

The CLASS Act would make it easier for people to save for long-term care services. This program would give working adults the opportunity to plan for long-term care needs by providing cash benefits that can be used to purchase non-medical services and supports like home health care. The Congressional Budget Office estimates that the CLASS Act would reduce the federal deficit and Medicaid spending.

Our nation is facing a long-term care crisis and repealing the CLASS Act does not help. Over ninety percent of Americans do not have long-term health insurance coverage. This crisis becomes more serious over the next two decades, when the number of Americans 65 and older will be 71 million--making up around 20 percent of the U.S. population. Long-term care is expensive: nursing homes can costs over \$70,000 a year and home health care costs hundreds of dollars a day.

Instead of debating how to help Americans pay for long-term care, we are spending our time repealing the only program that is trying to help.

I oppose H.R. 1173 and urge my colleagues to vote no on this piece of legislation.

Mr. DINGELL. Madam Chair, I rise today in opposition of H.R. 1173. This bill is yet another in a long list of efforts by the Republicans to dismantle and repeal the Affordable Care Act piece by piece. Despite the fact that my colleagues on the other side of the aisle sit in Committee hearing rooms and profess to support addressing our long term care crisis, one of their first pieces of legislation on the floor this session is a bill that will repeal one option to address this crisis.

H.R. 1173 does nothing to protect the security of our country's retirees. Repealing the CLASS Act does not protect the 70 percent of today's 65 year olds who will need some sort of health or personal care in the future. Nor does repealing the CLASS Act do anything for the 40 percent of long term care users between the ages of 18-64.

While I recognize that the CLASS Act is not fiscally feasible in its current form, I also recognize that a lack of a long term care initiative is not financially feasible for Americans. The average cost of a nursing home is currently a staggering \$78,000 per year while in-home long term care averages \$21,600 per year. We must continue to try and solve the problem of our nation's lack of adequate long term care options, and I call on my Republican friends to come to the table and work with us to do so.

Instead of wasting valuable floor time, my Republican friends should take this opportunity to work with Democrats as well as the Department of Health and Human Services to find a solution to this critical issue. We all must continue to champion the effort to create a safe and secure future for our nation's citizens.

It is my concern that if the CLASS Act is repealed, the impetus to implement a crucial

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long term care act will fall by the wayside. If my friends across the aisle wish to repeal this provision, it is vital they work expeditiously to implement a substitute for CLASS.

In 2008, 21 million Americans utilized some form of long term care. That number is only going to continue to increase, and it is our duty to protect the quality of life of our fellow Americans. I urge my colleagues to vote against H.R. 1173 until we have a viable long term care program to replace the CLASS Act.

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Chair, I rise today in opposition of H.R. 1173, legislation to repeal the Community Living Assistance Services and Supports program. America has a long-term care crisis, and it is only getting worse. Currently, there are over 10 million Americans who require long-term care, and this number is expected to grow to 15 million by 2020.

Long-term care places a huge burden on family budgets. CLASS makes long-term care more affordable and accessible by providing a national, voluntary, self-sustaining insurance program for the purchase of long-term care services and supports.

While CLASS may need to be tweaked, it should not be repealed without the existence of a viable alternative. Rather than repeal this bill today, Republicans and Democrats need to work together to identify ways to strengthen CLASS so that it becomes a sustainable long-term care program. Our nation's seniors are counting on us, and we must not let them down.

As our population ages, the need for long-term care services will only grow. Repealing the CLASS Act, without providing a viable alternative, will result in millions of seniors exhausting their retirement savings and personal assets. I cannot support H.R. 1173, as it undermines the personal dignity of our seniors.

Mr. GOODLATTE. Madam Chair, today I rise in strong support of the Fiscal Responsibility and Retirement Security Act. This important legislation repeals the failed government-run long-term care insurance program, known as the CLASS Act, which was included in the President's Health Care Law, PPACA.

Nearly two years ago, with total disregard for the will of the American people, Congress passed and President Obama signed the health care reform overhaul into law. This law, which I voted against, is defined by federal regulations, mandates, a myriad of new big government programs, and a significant increase in federal spending and debt at a cost to our country too high to bear.

The CLASS program is a prime example of the inherent problems with this new law. In fact, the Obama Administration announced in October that they would halt implementation of the CLASS program, recognizing that the program was unsustainable despite claims that it would save as much as \$80 billion over 10 years.

Today the House has an opportunity to pass the Fiscal Responsibility and Retirement Security Act, which is an important piece to dismantling the President's Health Care Law and allows Congress to consider new long-term care reform proposals that work for the American people without busting the federal budget.

Madam Chair, I intend to continue working to repeal and defund the new health care law that kills jobs, raises taxes, threatens seniors' access to care, will cause millions of people to lose the coverage they have and like, and increases the cost of health care coverage. While we can all agree that our current health care system needs to be reformed, the new health care law was not the right way to do it. Instead we must focus on a positive, patient-centered strategy that puts patients, families and doctors, not Washington bureaucrats, in control of personal health care decisions.

- [End Insert]

The Acting CHAIR. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule for a period not to exceed 3 hours.

The amendment in the nature of a substitute recommended by the Committee on Energy and Commerce printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fiscal Responsibility and Retirement Security Act of 2011".

SEC. 2. REPEAL OF CLASS PROGRAM.

(a) *Repeal.*--Title XXXII of the Public Health Service Act (42 U.S.C. 30011 et seq.; relating to the CLASS program) is repealed.

(b) *Conforming Changes.*--

(1)(A) Title VIII of the Patient Protection and Affordable Care Act (Public Law 111-148; 124 Stat. 119, 846-847) is repealed.

(B) The table of contents contained in section 1(b) of such Act is amended by striking the items relating to title VIII.

(2) Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended--

(A) by striking paragraphs (81) and (82);

(B) in paragraph (80), by inserting "and" at the end; and

(C) by redesignating paragraph (83) as paragraph (81).

(3) Section 6021(d) of the Deficit Reduction Act of 2005 (42 U.S.C. 1396p note) is amended--

(A) in paragraph (2)(A)(iv)--

(i) by inserting "not" before "include"; and

(ii) by striking "and information" and inserting "or information"; and

(B) in paragraph (3)--

(i) in the heading, by striking ``**APPROPRIATION**'' and inserting ``**FUNDING**'';

(ii) by striking ``2015'' and inserting ``2012''; and

(iii) by adding at the end the following new sentence: ``There is authorized to be appropriated to carry out this subsection \$3,000,000 for each of fiscal years 2013 through 2015.''

The Acting CHAIR. No amendment to the committee amendment in the nature of a substitute shall be in order except those received for printing in the *Congressional Record* designated for that purpose in a daily issue dated January 31, 2012, or earlier and except pro forma amendments for the purpose of debate. Each amendment so received may be offered only by the Member who causes it to be printed or a designee and shall be considered read if printed.

Are there any amendments to the bill?

AMENDMENT NO. 2 OFFERED BY MS. JACKSON LEE OF TEXAS

Ms. JACKSON LEE of Texas. I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 5, after line 19, add the following:

SEC. 3. STUDY ON THE IMPACT OF NOT HAVING LONG-TERM CARE INSURANCE ON THE FEDERAL, STATE, AND LOCAL GOVERNMENTS.

(a) *Studies.*--Section 2 shall not take effect until--

(1) the Director of the Congressional Budget Office completes a macroeconomic study and submits a report to the Congress on the impact on the Federal, State, and local governments of not having long-term care insurance; and

(2) the Secretary of Health and Human Services completes a study and submits a report to the Congress on the best practices necessary to have a viable, financially secure, and solvent long-term care insurance program.

(b) *Exception.*--Notwithstanding subsection (a), section 2(b)(3)(B) shall take effect upon the enactment of this Act.

The Acting CHAIR. The gentlewoman from Texas is recognized for 5 minutes.

Ms. JACKSON LEE of Texas. Madam Chair, first of all, let me say that I was on the floor yesterday regarding the CLASS Act and my approach to the CLASS Act. And I recognize that we have had some difficulty with putting together the right balance, the right financial structure for a very large program. But it does not mean that it does not have purpose.

The CLASS program deals with long-term care. In my readings I've determined that private families and loved ones have given in essence \$450 billion in private care, meaning that they have taken care of their loved ones on their own; \$101 billion has been spent by the Medicaid program. And I said yesterday that I've had the experience of taking care of a dear mother who I lost in 2010, and right now an aunt who I am taking care of in 2012. And I've seen a number of friends and others who need long-term care. And so the idea of disposing of it to me seems incomplete, without projecting back to Health and Human Services how can we get this done.

My amendment would not repeal the CLASS Act until the completion of a macroeconomic study.

[Time: 15:40]

We must determine the cost of not having long-term care insurance on the Federal, State and local governments before we repeal any programs like CLASS that are self-sustaining. CLASS is not taxpayer funded. The lack of affordable care is a very serious problem which, if not addressed, will only add to our growing national debt. H.R. 1173 would repeal the CLASS Act in its totality, and I believe that that is the wrong direction to go. And so I would be offering my amendment to help 26 million Americans who need long-term care services in the near future.

The CLASS Act is a positive intent, and it deals with the fact that we all must have balance of burden and benefit. We have to recognize that there

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are those whom we have to help. My amendment would ask for that study to be engaged and to ask for the Secretary to come back with an analysis of how devastating the impact would be and how high the deficit would grow. As the former executive director for the National Governors Association noted, failure to reform the underfunded, uncoordinated patchwork of long-term care supports and services is a failure to truly reforming health care.

Long-term care is not just for the elderly. It's for those who have had catastrophic illnesses, maybe the injured football player or the injured skier or a major accident when our loved ones need our attention. And, oh, how much can be done with long-term care. How do I know it? My mother went into a nursing home and could not walk--but she walked out.

Yes, there is value to helping people restore their lives. And baby boomers are already turning 65; 10,000 people will turn 65 every day as of January 1, 2011, over the next 25 years. And I'm grateful that because of health care and the Affordable Care Act, they will be living longer. Therefore, I'm asking that we not throw the baby out with the bath water. Allow the Secretary to do this study and to do this study that will be helpful to all of us. By 2050, the number of individuals using long-term care will increase.

I would like to reserve the balance of my time.

The Acting CHAIR. The gentlewoman may not reserve the balance of her time.

Ms. JACKSON LEE of Texas. Let me just say, Madam Chair, to my disappointment, I wanted to reserve to engage with my friend. But let me just say this: that care involves home residential care, skilled-nursing facilities, and it will likely double from the 10 million services in 2000 to, as I said earlier, 26 million people.

So it makes sense to accept my amendment that would allow this macroeconomic study to look closely at the benefit and the burden of not having long-term care. I can assure you that we will be better informed to be able to have those instructions, and I would ask my colleagues to support this amendment.

- [Begin Insert]

Madam Chair, I rise today in support of my amendment #2, to H.R. 1173, "The Fiscal Responsibility and Retirement Security Act of 2011." My amendment would delay the repeal of the CLASS PROGRAM until the completion of a macroeconomic study. We must determine the costs of not having long-term care insurance on the federal, state, and local governments before we repeal programs, like CLASS, that are self sustaining. CLASS is not tax payer funded! The lack of affordable care is a very serious problem which, if not addressed, will only add to our growing national debt.

H.R. 1173 would repeal Title VIII of the Patient Protection and Affordable Care Act and Supports (CLASS) Program--a national, voluntary long-term care insurance program for purchasing community living assistance services and supports. Title VIII also authorized and appropriated funding through 2015 for the National Clearinghouse for Long-Term Care Information (clearing house). H.R. 1173 would rescind any unobligated balances appropriated to the National Clearinghouse for Long-Term Care Information.

I ask my colleagues to ensure that the 26 million Americans, who will need long term care services in the near future, will be able to purchase this care at reasonable prices.

The CLASS Act is a noble and notable attempt to legislate this issue but when the Administration realized that the legislation did not do what we thought it would they came forth and did the right thing and deemed it to be unsustainable.

Policy won out over politics because it would be easy to obfuscate and forge ahead with implementation even in the face of an obviously problematic bill. This indeed was a bold act of integrity for the Department of Health and Human Services.

The inclusion of the long term care infrastructure (CLASS) in health care reform was a signature issue for one of the foremost advocates in this bicameral body, the late Senator Ted Kennedy who worked tirelessly to achieve its enactment.

As Raymond Scheppach, former Executive Director for National Governors' Association 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 care 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 an ever-growing and inexorable burden on states and requires individuals to "spend down" or, become and stay poor to receive the help they need.

This spend-down activity runs contrary to the American notion of putting something away for a rainy day, or to allow for passing on to your heirs so that they can see a better day than you.

Estimates suggest that in the upcoming years the number of disabled elderly who cannot perform basic activities of daily living without assistance may double today's level. CLASS provides the aging and the disabled with a solution that is self sustaining, at no cost to tax payers.

As the estimated 76 million baby boomers born between 1946 and 1964 become elderly, Medicare, Medicaid, and Social Security will nearly double as a share of the economy by 2035.

Baby boomers are already turning 65. As of January 1, 2011, 10,000 people will turn 65 every day and this will continue for the next 20 years. It is reasonable to assume that over time the aging of baby boomers will increase the demand for long-term care.

In addition, individuals 85 years and older are one of the fastest growing segments of the population. In 2005, there are an estimated 5 million people 85+ in the United States; this figure is expected to increase to 19.4 million by 2050. This means that there could be an increase from 1.6 million to 6.2 million people age 85 or over with severe or moderate memory impairment in 2050.

Repealing the CLASS program does nothing to address the fact that private long-term care insurance options are limited and the costs are too high for many American families, including many in my Houston district, to afford.

An estimated 10 million Americans needed long-term care in 2000. Most but not all persons in need of long-term care are elderly. Approximately 63% are persons aged 65 and older (6.3 million); the remaining 37% are 64 years of age and younger (3.7 million).

The lifetime probability of becoming disabled in at least two activities of daily living or of being cognitively impaired is 68% for people age 65 and older.

By 2050, the number of individuals using paid long-term care services in any setting (e.g., at home, residential care such as assisted living, or skilled nursing facilities) will likely double from the 10 million using services in 2000, to 26 million people. This estimate is influenced by growth in the population of older people in need of care.

Of the older population with long-term care needs in the community, about 30% (1.5 million persons) have substantial long-term care needs--three or more activities of daily living limitations. Of these, about 25% are 85 and older and 70% report they are in fair to poor health. 40% of the older population with long-term care needs are poor or near poor (with incomes below 150% of the federal poverty level).

Between 1984 and 1994, the number of older persons receiving long-term care remained about the same at 5.5 million people, while the prevalence of long-term care use declined from 19.7% to 16.7% of the 65+ population. In comparison, 2.1%, or over 3.3 million, of the population aged 18-64 received long-term care in the community in 1994.

- [End Insert]

Mr. PITTS. Madam Chair, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. PITTS. Madam Chair, again, this amendment continues to ignore the reality around the CLASS program.

The CLASS program has been reviewed by outside analysts, by the HHS actuary and the Congressional Budget Office; and just last year the Obama administration finally admitted what so many already knew, the CLASS program is not workable. In fact, the Congressional Budget Office has certified that not a single person would ever receive benefits from the CLASS program. Any effort to preserve a failed program on the books simply delays any real attempt to ensure every American has access to affordable long-term care coverage.

From the start, the CLASS program was a Big Government idea that independent analysts believed was flawed and unworkable. The **American Academy of Actuaries**, the Congressional Budget Office and even officials at the Department of Health and Human Services run by Secretary Sebelius had grave concerns about the workability of this program. It has been studied. It does not work. If you would have done this study before

you passed it, we would not have wasted millions of taxpayer dollars on a program that was