

LONG-TERM CARE, HOME <u>HEALTH & HOSPICE</u>

OCTOBER 14, 2011

CLASS ACT HALTED BY OBAMA ADMINISTRATION

Just weeks after ongoing development of the CLASS Act stalled, Secretary Sebelius announced today the implementation of the CLASS Act has been completely halted. Reflecting concerns over the sustainability of the program and the potential for the development of a new entitlement program, the Department of Health and Human Services determined the financing plans related to the Act were not sufficient.

In a letter to Congress, Secretary Sebelius stated: "despite our best analytical efforts, I do not see a viable path forward for CLASS implementation at this time." The Secretary additionally wrote an op-ed piece for the *Huffington Post* detailing the purpose of the CLASS Act and why it is unsustainable.

Should you have any questions, please contact: Todd Selby at 317.977.1440 or tselby@hallrender.com; Brian Jent at 317.977.1402 or bjent@hallrender.com; or David Bufford at 502.568.9368 or dbufford@hallrender.com, or your regular Hall Render attorney.