



FEATURE ARTICLE

Obamacare Suffers Setback, Supreme Court to Review Obamacare Lawsuits

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The Obama administration has dropped the long-term care insurance program from the president's health-care reform plan--a key piece of the law. The Community Living Assistance Services and Supports (CLASS) program was estimated to save \$86 billion of the \$210 billion in deficit savings, because premiums would have exceeded benefit payments. But a review showed CLASS would have lost money, so, according to a provision in the law, it had to be abandoned. CLASS was one of the Affordable Care Act's major new entitlement programs.

HHS Secretary Sebelius said, "Despite our best analytical efforts, I do not see a viable path forward for CLASS implementation at this time."

The Administration had hoped to boost enrollment and attract younger, healthier individuals by using extensive outreach and selling policies through the workplace. But Richard Foster, the official actuary for Medicare and Medicaid had warned early on that the plan would probably not work, because the enrollment would still be too low to sustain the program, reported the New Republic.

The official budget estimates for CLASS indicated it would save money in the first ten years, which would have accounted for about half of the deficit reduction that the Affordable Care Act was supposed to yield during that time period. However, after those first ten years, CLASS was probably going to pay out more in benefits than it collected as premiums, according to Senator John Thune of South Dakota.

"The gap between CLASS Act benefits and care costs would likely grow. The health reform law considers the rising costs of health care and gives an increase in benefits pegged to increases in the Consumer Price Index. Health care costs have, however, historically grown much faster than the CPI," wrote Sarah Kliff of the Washington Post.

Making long-term care insurance a mandatory part of the Affordable Care Act would have made the health care reform bill even more complicated and, potentially, controversial as well, which is why the law's sponsors decided to make the program



voluntary.

Long-term care includes such services as nursing homes, home health assistance, and rehabilitation for serious injuries or disabilities--any kind of lengthy medical care not covered by regular insurance--usually for people who are seriously injured, disabled, or very old. Most Americans don't have private long-term insurance because the only way to obtain it is through Medicaid. In order to qualify, the person must be poor or become poor by spending down their assets.

Long-term care is very expensive, as well. You must pay premiums for many years before collecting benefits, and most insurance companies prefer that you are healthy when you purchase the policies. Most people wait to buy this type of insurance when they are close to the age when they need it, and insurance companies don't offer policies that are worth buying.

Overall, Sarah Kliff of the Washington Post observed, "With or without the CLASS Act, there's widespread recognition that we face a long-term care problem. There are a decent number of ideas on how to solve it. But there are also huge political obstacles any of those solutions would have to overcome."

Supreme Court to Pick Obamacare Lawsuits

Another important development in the Obamacare law is that next month the Supreme Court will look, for the first time, at the lawsuits challenging Obamacare. The Justices will meet on November 10 to decide which, if any of the various cases, it will consider, according to the SCOTUSblog. They are expected to consider the case filed by the 26 states and the National Federation of Independent Business in a joint lawsuit. There are six possible cases the Supreme Court may choose from; the suit filed by Virginia Attorney General Ken Cuccinelli, which a lower court dismissed, is the only one that is not yet ready. The Court will most likely focus on whether the individual mandate in the Obamacare law, which requires people to purchase health insurance, is constitutional. A majority of Americans still strongly oppose the Obamacare law.

"Five of the six pending petitions...were distributed to the Justices' chambers on Wednesday, for consideration at that private session," LifeNews.com reported. "Although a grant of review is not assured, that is highly likely, since all sides agree that the Court should take on the controversy, and the constitutionality of a key



provision of the new law has been decided differently by federal appeals courts.” The high court is expected to announce the outcome of its preliminary review of the lawsuits by November 14, although it will not be rendering a decision. The announcement will simply indicate which of the lawsuits the Supreme Court will take. Since some federal judges believe in upholding the law and some would like it to be struck down in full or in part, the decision by the top court on which case or cases it will take could indicate the direction the court may lean when it hands down a decision next summer.