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CBO Says CLASS Repeal Would Have No Budgetary Impact

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A new blog posting by the Congressional Budget Office (CBO) indicates that congressional action to repeal the Community Living Assistance Services and Supports (CLASS) program would have no budgetary impact. This statement follows a recent announcement by Secretary of Health and Human Services Kathleen Sebelius that she does not "see a viable path forward" for implementation of the CLASS program at this time.

Previously, CBO had projected in its January 2011 Budget and Economic Outlook report that the CLASS program would collect \$112 billion in premiums during 2012-2021, but would spend only \$28 billion during this same time period. These projections resulted from the fact that the Affordable Care Act (ACA) provided that enrollees in the CLASS program could not be eligible for benefits until five years after they first enrolled and began paying premiums into the program. Because the program's projected income significantly exceeded its projected spending during the ten-year budget window, legislation to repeal the CLASS program would have required approximately \$80 billion in budget offsets.

However, as a result of CBO's announcement this week, no budget offsets will be required for future legislative efforts to repeal the CLASS program. Bills to repeal the program have been introduced in both the House and the Senate.

The American Senior Benefits Association (ASBA) is a 501(c)(3) not-for-profit association where membership is completely free. ASBA is committed to lifestyle enhancement through benefits, advocacy and education for the over-50 population. ASBA concentrates its efforts on the issues that are of greatest concern to its members. Through its partners and programs, ASBA members receive product and service discounts, as well as other benefits. Current ASBA membership stands at over 700,000 nationally.