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CLASS Act to Lose Funding?

President Barack Obama has issued a firm August 2, 2011 deadline for Republicans and Democrats to complete a deal to reduce federal spending; or the United States will begin defaulting on debt obligations.

One plan is on the table, courtesy of the much-talked about "Gang of Six" members of Congress. The "Gang of Six" consists of Republicans Tom Coburn (OK), Saxby Chambliss (GA), and Mike Crapo (ID) and Democrats Mark Warner (VA), Kent Conrad (ND), and Dick Durbin (IL).

One component of their plan suggests the elimination of funds dedicated to the Community Living Assistance Services and Supports Act ([CLASS Act](#)) long term care program. The CLASS program is a voluntary, employee-funded, long term care program created by the Patient Protection and Affordable Care Act ([PPACA](#)).

While the CLASS Act is just a portion of their overall recommendations, the group believes that their entire plan would increase revenues by roughly \$1 trillion over 10 years. It is also believed that popular benefit programs like Medicare and Medicaid will take hard hits by lowering future physician payments and adding another round of cuts to Medicare (in addition to the approximate \$500 billion already scheduled due to health care reform).

The J.S. Clark Agency will keep you informed as this story unfolds.

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