

## CLASS Act Fiasco Highlights Obamacare's Flaws

**Republicans warned:** “The CLASS Act is another classic gimmick of budgetary shenanigans.”

[Senator Gregg](#), 12/2/2009

**The Obama Administration promised:** “This is not a budget gimmick.”

[OMB Director Orszag](#), 3/4/2010

**What happened:** “We have not identified a way to make CLASS work.”

[HHS Secretary Sebelius](#), 10/14/2011

- During the Obamacare debate, the controversial long-term care program CLASS was widely derided as a budget gimmick. Even Democrat Budget Committee Chairman Conrad called it a [“Ponzi scheme of the first order.”](#)
- Democrats said CLASS would provide [\\$86 billion in savings](#) to Obamacare -- 41% of the total budget savings they claimed for the law -- even though many [independent experts](#) questioned the program's viability [from Day One](#).
- Under Republican questioning last February, HHS Secretary Sebelius [admitted](#) that CLASS was “totally unsustainable” as written, though she claimed she could fix the program unilaterally.
- Last Friday, the Obama Administration [finally announced](#) there was not a “viable path forward for CLASS implementation” and that it would drop the program.
- Yesterday, CBO [announced](#) that repealing CLASS would not cost taxpayers any money, contrary to earlier [claims](#) by the law's supporters.
- The Administration says that CLASS collapsed because of substantial uncertainty surrounding long-term care insurance. But the forecast for the rest of Obamacare is [just as uncertain](#).
  - The law assumes that employers will not drop health coverage, but countless [studies](#), [reports](#), and [surveys](#) point to large numbers of businesses cancelling health insurance.
  - If this trend continues, the cost of Obamacare could [swamp](#) the federal balance sheet and render the entire law fiscally unsustainable.
- The next step is to repeal the CLASS Act – over President Obama's [objections](#) if necessary – along with the rest of Obamacare, and replace them with common-sense reforms that truly lower costs.

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