



AMERICAN ACADEMY *of* ACTUARIES

August 15, 2012

The Honorable Charles W. Boustany, Jr., MD
1431 Longworth House Office Building
Washington, DC 20515

The Honorable John Thune
511 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Thune and Representative Boustany:

The American Academy of Actuaries'¹ mission is to serve the public and the public interest by providing independent and objective actuarial information, analysis, and education for the formation of sound public policy.

The Academy seeks to fulfill this mission by identifying issues on which actuarial science provides a unique understanding and engaging in public policy discussions to address them. Many of today's most pressing public policy issues require such attention. I write to you today to clarify the nature of one such recent initiative.

You will recall during the legislative debate leading up to the enactment of the Community Living Assistance Services and Supports (CLASS) Act, the American Academy of Actuaries, working with the Society of Actuaries, highlighted concerns regarding the viability of the CLASS Act. Throughout further evaluation of the program after its adoption and the administration's decision not to implement the program, we have continued to focus on the critical need for Americans to have affordable long-term care financing solutions. We indicated such interest late last year when we issued a public statement stating: "As actuaries we will continue to work with policymakers to help provide consumers with robust financing options for long-term care services and supports."²

Earlier this year, the Academy's Health Practice Council engaged in an initiative seeking greater clarity on long-term care financing needs and the challenges to providing long-term care services to those who need it, but cannot afford it, or otherwise access it. The Health Practice Council invited about two dozen long-term care experts—including individuals with backgrounds in public policy and government service, actuarial science, research and academia, consumer advocacy, the insurance and retirement benefits

¹ The American Academy of Actuaries is a 17,000 member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualifications, practice, and professionalism standards for actuaries in the United States.

² <http://www.actuary.org/files/10.14.11%20News%20Release%20CLASS%20HHS%20Report.pdf>

sectors, and financial planning—to participate in a series of roundtable discussions on potential public, private, or integrated public/private solutions to ensure access to and financing of long-term care services. Our goal in convening this conversation was to address the accessibility and affordability of long-term care services, a problem that was most recently brought to national attention during the debate over the CLASS Act.

It has come to our attention that there may be a misperception regarding the nature and intent of these conversations. The Academy alone hosted these roundtables to begin a dialogue—first, to foster a common understanding of long-term care needs and the limitations of current mechanisms for funding them; second, to identify areas of consensus and disagreement on potential financing approaches; and third, to promote an understanding of the implications of certain approaches to reform. It is our hope to develop an objective report based on these conversations, which would outline potential approaches to address long-term care financing challenges and evaluate potential implications of those solutions.

To date, we have hosted and facilitated two such discussions. All participants were selected and sought by the Academy only. To ensure a full and thoughtful exchange of ideas, we invited a broad spectrum of experts—with the explicit goal of having different perspectives on long-term care challenges present. That is, we believe, the best way to move toward developing new solutions that address long-term care needs for all segments of the population. The agendas for discussions have been developed by the Academy and have been constructed to approach these challenges, from a “blank-sheet-of-paper approach” to idea generation. As with all of our public policy outreach efforts, this has been an opportunity to inform and to learn, just as we continue to be open to any Member of Congress or anyone else who wishes to discuss with us his/her perspectives on public policy challenges on long-term care financing.

We would welcome the opportunity to speak with you in more detail about our endeavors. If you have further questions or would like additional information, please contact Heather Jerbi, the Academy’s senior health policy analyst, at 202.785.7869 or Jerbi@actuary.org.

Sincerely,

Thomas F. Wildsmith, MAAA, FSA
Vice President, Health Practice Council
American Academy of Actuaries

Cc: Kathleen Sebelius, Secretary of Department of Health and Human Services