

EXHIBIT D

Blackwood, Kristine (HHS/ASL)

From: Gotts, Jill M. (CMS/OL)
Sent: Thursday, June 11, 2009 4:24 PM
To: Garner, Connie (HELP Committee)
Cc: Snow, Jennifer M. (CMS/OL)
Subject: RE: CMS follow up on CLASS Act

Thanks, Connie. Are you fine with me getting it into the hands of Rick Foster? He ultimately will be the one who needs to see it.

My fax number is [REDACTED]

And by the way, thank you for incorporating so many of our comments. We're scrubbing the bill to make sure we don't see anything else.

From: Garner, Connie (HELP Committee) [mailto:[REDACTED]]
Sent: Thursday, June 11, 2009 4:10 PM
To: Gotts, Jill M. (CMS/OL)
Subject: RE: CMS follow up on CLASS Act

Jill,

I am emailing back one of the studies (Moran, the mandatory one) and I need a FAX number to send the other (this is the one that cannot be shared except for you and CBO because AARP won't release it.) what is important to note is that BOTH of these studies were done on the bill we introduced, NOT the current language in our HCR bill. We, in fact, used their findings to adjust our solvency model to make it work.

Essentially, what the Mercer (Wyman) study says is that even using our original bill and taking the poorest participation rate and a moderate adverse selection and giving you no flexibility to change premiums or triggers (like the new bill says), you can still support a solvent program way out in the out years for a premium between \$61. and \$123. per month . That is a premium that does not reflect our new language (which is 2x cheaper than an equivalent private product AND it is a lifetime benefit)

Anyway, I need a FAX number to send the other study !

Thanks,
Connie

From: Gotts, Jill M. (CMS/OL) [mailto:[REDACTED]]
Sent: Thursday, June 11, 2009 12:48 PM
To: Garner, Connie (HELP Committee)
Subject: RE: CMS follow up on CLASS Act

Hi Connie,

I hate to be a pest, but I just wanted to make sure that I didn't miss anything in my inbox from you on this.

From: Garner, Connie (HELP Committee) [mailto: [REDACTED]]
Sent: Wednesday, June 10, 2009 5:08 PM
To: Gotts, Jill M. (CMS/OL)
Subject: Re: CMS follow up on CLASS Act

Perfect --will send after this meeting I am in

Sent from my BlackBerry Wireless Handheld

From: Gotts, Jill M. (CMS/OL) < [REDACTED] >
To: Garner, Connie (HELP Committee)
Cc: Hall, Amy (CMS/OL) < [REDACTED] >; Snow, Jennifer M. (CMS/OL) < [REDACTED] >
Sent: Wed Jun 10 16:42:09 2009
Subject: CMS follow up on CLASS Act

Hi Connie,

As a follow up to our call last week, I just wanted to check in with you to see if you had an opportunity to send the actuarial studies that you had referenced during our conversation. We would keep them confidential and pass them along to Rick Foster. Now that we have a draft of new language, we'll be sure to let you know if we have additional programmatic-related comments.

Sincerely,
Jill

From: Garner, Connie (HELP Committee) [mailto: [REDACTED]]
Sent: Wednesday, June 03, 2009 6:22 PM
To: Gotts, Jill M. (CMS/OL)
Cc: Hall, Amy (CMS/OL); Snow, Jennifer M. (CMS/OL)
Subject: RE: time to discuss CLASS act?

Thanks , maybe next time we should do a face to face ...

From: Gotts, Jill M. (CMS/OL) [mailto: [REDACTED]]
Sent: Wednesday, June 03, 2009 3:32 PM
To: Garner, Connie (HELP Committee)
Cc: Hall, Amy (CMS/OL); Snow, Jennifer M. (CMS/OL)
Subject: RE: time to discuss CLASS act?

Hi Connie,

Thank you again for giving us the opportunity to share our comments on the CLASS Act. I apologize for the mix up on our end for not having the right set of written comments to which to refer.

We look forward to reviewing future drafts of the legislation and arranging for a time to brief you on additional questions or comments.

Please do not hesitate to reach out to us if you need anything.

Best,
Jill

Jill Gotts

Low Income Programs Analysis Group
Office of Legislation
Centers for Medicare & Medicaid Services

From: Garner, Connie (HELP Committee) [mailto: [REDACTED]]
Sent: Wednesday, June 03, 2009 1:35 PM
To: Gotts, Jill M. (CMS/OL)
Subject: RE: time to discuss CLASS act?

I am sorry but can you give me that call-in number again ??? I keep deleting it

From: Gotts, Jill M. (CMS/OL) [mailto: [REDACTED]]
Sent: Wednesday, June 03, 2009 1:32 PM
To: Garner, Connie (HELP Committee)
Subject: RE: time to discuss CLASS act?

Connie,

I hate to do this to you but is there any way we can push back our start time to 2:15? Some of us are tied up in a meeting. I appreciate your understanding.

From: Garner, Connie (HELP Committee) [mailto: [REDACTED]]
Sent: Tuesday, June 02, 2009 2:32 PM
To: Gotts, Jill M. (CMS/OL)
Subject: RE: time to discuss CLASS act?

Ok 2 pm tomorrow it is --- what is the call-in numbers again ??

From: Gotts, Jill M. (CMS/OL) [mailto: [REDACTED]]
Sent: Tuesday, June 02, 2009 2:29 PM
To: Garner, Connie (HELP Committee)
Subject: RE: time to discuss CLASS act?

I think that it will work, though I'm just confirming with OACT. For the moment, let's assume that it's on. We also probably need to wrap things up by 3pm due to limited staff availability after this time. If we need more time to discuss issues, we can always schedule another call.

From: Garner, Connie (HELP Committee) [mailto: [REDACTED]]
Sent: Tuesday, June 02, 2009 2:25 PM
To: Gotts, Jill M. (CMS/OL)
Subject: RE: time to discuss CLASS act?

Any news about doing it at at 2pm ?

From: Gotts, Jill M. (CMS/OL) [mailto: [REDACTED]]
Sent: Tuesday, June 02, 2009 12:07 PM
To: Garner, Connie (HELP Committee)
Subject: RE: time to discuss CLASS act?

Let me check.

From: Garner, Connie (HELP Committee) [mailto: [REDACTED]]
Sent: Tuesday, June 02, 2009 11:54 AM
To: Garner, Connie (HELP Committee); Gotts, Jill M. (CMS/OL)
Subject: RE: time to discuss CLASS act?

Jill,

Is there anyway we can switch our call to 2pm ? I can't do it earlier than that ...

From: Garner, Connie (HELP Committee)
Sent: Monday, June 01, 2009 3:33 PM
To: 'Gotts, Jill M. (CMS/OL)'
Subject: RE: time to discuss CLASS act?

Thanks so much

From: Gotts, Jill M. (CMS/OL) [mailto: [REDACTED]]
Sent: Monday, June 01, 2009 3:02 PM
To: Garner, Connie (HELP Committee)
Cc: Hall, Amy (CMS/OL); Snow, Jennifer M. (CMS/OL); Guevara, Natalia T. (CMS/OL)
Subject: RE: time to discuss CLASS act?

Hi Connie,
I am checking these dates and times and will be in touch shortly.
Best,
Jill

Jill Gotts
Low Income Programs Analysis Group
Office of Legislation
Centers for Medicare & Medicaid Services
[REDACTED]

From: Garner, Connie (HELP Committee) [mailto: [REDACTED]]
Sent: Sunday, May 31, 2009 9:22 AM
To: Snow, Jennifer M. (CMS/OL)
Cc: Gotts, Jill M. (CMS/OL); Hall, Amy (CMS/OL)
Subject: Re: time to discuss CLASS act?

My best times for me would be Tues morning or Wed between 12-2. Any of these times work ?

Sent from my BlackBerry Wireless Handheld

From: Snow, Jennifer M. (CMS/OL) < [REDACTED] >
To: Garner, Connie (HELP Committee)
Cc: Gotts, Jill M. (CMS/OL) < [REDACTED] >; Hall, Amy (CMS/OL) < [REDACTED] >

Sent: Fri May 29 10:05:43 2009
Subject: time to discuss CLASS act?

Hi Connie,

At the request of Jeanne Lambrew and Amy Hall, we would like to set up a meeting with you to discuss our comments on the CLASS Act. Can you let me know some times when you are available to discuss next week? We will do our best to accommodate your schedule.

Thank you.

Jennifer Snow
Acting Director
Low Income Programs Analysis Group
CMS Office of Legislation
[REDACTED]



Blackwood, Kristine (HHS/ASL)

From: Foster, Richard S. (CMS/OACT)
Sent: Monday, July 27, 2009 11:31 AM
To: Gotts, Jill M. (CMS/OL)
Cc: Hall, Amy (CMS/OL); Blum, Jonathan D. (CMS/OA)
Subject: RE: Update on CLASS Act

Jill,

The American Academy of Actuaries and the Society of Actuaries put together a joint workgroup to look at the CLASS proposal. Although I haven't read their full report, based on the press release they appear to have reached similar conclusions to mine regarding the feasibility of the proposed insurance plan.

Please let us know if you have any questions.

Rick



AAA press release
classact_jul...



AAA letter on
class_july09.pdf...

From: Foster, Richard S. (CMS/OACT)
Sent: Thursday, July 09, 2009 5:29 PM
To: Gotts, Jill M. (CMS/OL)
Cc: Hall, Amy (CMS/OL); Blum, Jonathan D. (CMS/OA)
Subject: RE: Update on CLASS Act

Jill,

I've finished reviewing the two studies provided by Sen. Kennedy's staff regarding the CLASS proposal. I'm sorry to report that I remain very doubtful that this proposal is sustainable at the specified premium and benefit amounts.

The actuarial study conducted for AARP assumed participation rates based on a portion (40% to 100%) of current rates for 401(k) plans. In practice, I think current experience for participation in employer-based long-term care plans would be much more applicable, and such participation is far lower than for 401(k)'s (for fairly obvious reasons). The AARP study emphasized the sensitivity of premium levels to the number of healthy participants. Although the actuaries didn't model a plan with participation in the few-percent range, I strongly suspect that the resulting premiums would be so large as to further diminish the number of participants and to fail to achieve the critical mass of participants in average health needed to cover the selection and subsidy costs.

All of the analysis in the Moran study is based on an assumption that the CLASS program would be mandatory. The results look legitimate for such a program, but they are not applicable to the voluntary plan proposed for CLASS.

I haven't been able to talk to CBO yet regarding their participation assumptions. Unless they have a compelling reason to expect greater-than-LTC levels of participation, however, I can't see how there would be enough workers participating to cover the selection costs for those with existing ADL limitations plus the costs for the internal subsidies for students and low-income persons. Thirty-six years of actuarial experience lead me to believe that this program would collapse in short order and require significant Federal subsidies to continue.