

EXHIBIT W

Brown, Nicole (HHS/ASL)

From: John Wilkin [REDACTED]
Sent: Wednesday, September 23, 2009 8:06 AM
To: Marton, William (HHS/ASPE)
Cc: Frank, Richard (HHS/ASPE); Katz, Ruth (HHS/ASPE)
Subject: RE: CLASS Estimates

Bill

I forgot one additional assumption. Below is the complete list.

We are making the following assumptions about changes to the act that we believe are necessary to make the act workable:

1. Benefits will increase at the rate of a fixed 3% per year instead of by the CPI.
2. The income requirements must be met during the entire vesting period.
3. The 24-month continuous income requirement for vesting must occur immediately before applying for benefits. Thus, an individual who lapses and then reenrolls essentially has a new 2-year vesting period.
4. Nonworking spouses are not eligible. Each individual must meet the income requirements.
5. The presumptive benefit eligibility clause will not apply for individuals who are discharged from a hospital.
6. The administrative expenses were assumed to be 3% of premiums **PLUS** 5% of benefits. Most of the 5% of benefits would be necessary for the claims adjudication and payment process. The 3% would be for premium billing and collection, marketing, and general overhead.

John Wilkin

From: Marton, William (HHS/ASPE) [mailto:[REDACTED]]
Sent: Tuesday, September 22, 2009 3:55 PM
To: John Wilkin
Cc: Frank, Richard (HHS/ASPE); Katz, Ruth (HHS/ASPE)
Subject: CLASS Estimates

John,

As soon as you have results from your model, could you send them to Richard, Ruth, and me ASAP? We'll distribute them to the rest of the folks here at ASPE. Thanks again for putting in the time under such a short deadline.

Bill