

## **BILL ANALYSIS**

S.B. 1585  
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Public Health  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

As Texas' elderly population increases, that population's health care needs are becoming more complex. According to interested parties, Texas has the third largest population of older adults in the country and, given a certain projected rate of increase, population estimates for the year 2025 indicate that, by then, one in five Texans will be 60 years of age or older. The parties further note that, in addition to its increasingly aged population, Texas also has the second largest population of people with disabilities and that, combined, these figures have high cost implications for older adults, especially those who require residential care services. Compounding the parties' concern is the contention that Medicare payment for long-term care services is very limited and only a small portion of the population has long-term care insurance; that, while Medicaid is the largest payer of long-term care services in Texas, some individuals still expend almost all of their income on nursing home costs; and that, as a result of the high cost of long-term care services and lack of payment alternatives for those who do not qualify for Medicaid, residential care services either are not accessible to or bankrupt middle-class Texans.

The purpose of S.B. 1585 is to study the feasibility of developing a cost-effective payment alternative to help Texans cover the cost of residential care.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1585 requires the executive commissioner of the Health and Human Services Commission, in cooperation with the comptroller of public accounts and the commissioner of aging and disability services, to conduct a study on the feasibility of developing a program that is modeled after the prepaid higher education tuition program, is administered by the state, and is designed to provide a mechanism through which Texas citizens may invest in a prepaid investment plan or other product meant to supplement long-term care insurance by providing participants additional financial support to cover the cost of residential care. The bill prescribes certain actions for the executive commissioner to take in conducting the study and requires the executive commissioner, not later than November 1, 2016, to submit to the governor and the legislature a written report containing the findings of the study together with the executive commissioner's recommendations, including proposals for certain alternative systems and programs for providing and financing residential care. The bill's provisions expire September 1, 2017.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.