

By: Lucio
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S.B. No. 1585

A BILL TO BE ENTITLED

AN ACT

relating to a study on the feasibility of establishing a prepaid investment plan or other product to help citizens of this state finance and access residential care.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. (a) In this section:

(1) "Commission" means the Health and Human Services Commission.

(2) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(3) "Residential care" means long-term services and supports provided in the least restrictive care setting, including a home or community-based setting, to persons who are elderly or have disabilities.

(b) The executive commissioner in cooperation with the comptroller of public accounts and the commissioner of aging and disability services shall conduct a study on the feasibility of developing a program that is:

(1) modeled after the prepaid higher education tuition program established under Subchapter F, Chapter 54, Education Code;

(2) administered by the state; and

(3) designed to provide a mechanism through which citizens of this state may invest in a prepaid investment plan or other product meant to supplement long-term care insurance by

1 providing participants additional financial support to cover the
2 cost of residential care.

3 (c) In conducting the study under Subsection (b) of this
4 section, the executive commissioner shall:

5 (1) evaluate existing systems and programs for
6 providing residential care in this state;

7 (2) evaluate the economic circumstances of the elderly
8 and low-income populations and persons with disabilities in this
9 state who are in need of residential care;

10 (3) consider alternative systems and programs for
11 providing and financing residential care that will increase the
12 affordability, sustainability, desirability, quality, and
13 cost-effectiveness of residential care in this state, taking into
14 consideration model systems and programs used in other states;

15 (4) consult with interested stakeholders as well as
16 other appropriate state and federal agencies;

17 (5) consider ways to encourage participation,
18 coordination, and involvement of the federal government and private
19 sector; and

20 (6) consider the possibility of developing a
21 tax-advantaged investment plan under which either contributions to
22 the plan are tax-deductible for federal income tax purposes or
23 distributions of earnings from the plan are not subject to federal
24 income tax.

25 (d) Not later than November 1, 2016, the executive
26 commissioner shall submit a written report containing the findings
27 of the study conducted under Subsection (b) of this section

1 together with the executive commissioner's recommendations to the
2 governor and the legislature. The recommendations must include
3 proposals for alternative systems described by Subsection (c)(3) of
4 this section that are developed based on the findings of the study.

5 (e) This section expires September 1, 2017.

6 SECTION 2. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2015.