

By: Lucio

S.B. No. 1585

A BILL TO BE ENTITLED

1 AN ACT

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

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

6 SECTION 1. (a) In this section:

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

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

11 (3) "Nursing facility" means a convalescent or nursing
12 home or related institution licensed under Chapter 242, Health and
13 Safety Code.

14 (4) "Residential care" means long-term services and
15 supports that are provided 24 hours a day in a residential setting
16 to persons who are elderly or have disabilities.

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

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

23 (2) administered by the state; and

24 (3) designed to provide a mechanism through which

1 citizens of this state may invest in a prepaid investment plan or
2 other product meant to supplement long-term care insurance by
3 providing participants additional financial support to cover the
4 cost of residential care.

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

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

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

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

17 (4) consult with interested industry stakeholders as
18 well as other appropriate state and federal agencies;

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

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

27 (d) Not later than November 1, 2016, the executive

1 commissioner shall submit a written report containing the findings
2 of the study conducted under Subsection (b) of this section
3 together with the executive commissioner's recommendations to the
4 governor and the legislature. The recommendations must include
5 proposals for alternative systems described by Subsection (c)(3) of
6 this section that are developed based on the findings of the study.

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

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