

## **BILL ANALYSIS**

Senate Research Center  
76R3031 GCH-D

S.B. 97  
By: Harris  
State Affairs  
2/8/1999  
As Filed

### **DIGEST**

Currently, Texas law does not provide long-term care for public employees. S.B. 97 would create the Public Employees Long-Term Care Board and allow all public employees to purchase long-term care insurance through the pool.

### **PURPOSE**

As proposed, S.B. 97 set forth provision regarding long-term care for public employees.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 3E, Insurance Code, by adding Article 3.50-2A, as follows:

#### **Art. 3.50-2A. LONG-TERM CARE FOR PUBLIC EMPLOYEES**

Sec. 1. LONG-TERM CARE BOARD. Establishes the Public Employees Long-Term Care Board. Sets forth the members of the board. Requires the executive directors to serve as members of the board by virtue of their position. Requires the public members serve two-year terms expiring February 1 of each odd-numbered year. Requires the board members annually to select their presiding officers. Requires the board to meet at the call of the presiding officer or as determined by board policy. Provides that a board members is not entitled to compensation for serving on the board is are entitled to reimbursement for travel expenses incurred in performing the business of the board.

Sec. 2. EMPLOYEES AND CONSULTANTS. Authorizes the board to employ and contract persons to assist in performing its duties and determine their duties and compensation.

Sec. 3. LONG-TERM CARE COVERAGE. Requires the board to contract with carriers of long-term care insurance plans and enter into health care service plan contracts. Requires the board to award contracts to carriers who are qualified to provide long-term care benefits and develop and administer self-funded long-term care insurance plans. Authorizes the board to offer one or more long-term care insurance plans and indemnity plans. Requires the long-term care insurance plan contracts to include home, community, and institutional care. Requires a contract to be subject to competitive bidding. Requires the long-term care insurance plans and to be available periodically during open enrollment periods determined by the board.

Sec. 4. ENROLLMENT. Requires the board to establish eligibility criteria for enrollment and any other standards the board determines are needed. Sets forth the classes of persons who are eligible to enroll in the long-term care program provided by this article. Requires potential enrollees to meet the eligibility and underwriting criteria established by the board. Requires the enrollees to pay the full cost of enrollment in a long-term care insurance plan or in a health service plan contract covering long-term care.

Sec. 5. PUBLIC EMPLOYEES LONG-TERM CARE FUND. Establishes the public employees long-term care fund as a trust fund outside the state treasury. Provides that the comptroller is custodian of the fund and shall make payments from the fund at the direction of the board. Authorizes the board to set the premiums for any self-funded long-term care plan and assess charges against carriers and the premiums of enrollees to recover the administrative costs of the public employees long-term care program. Requires premiums paid by enrollees and other income to be credited to the fund. Authorizes the legislature to make appropriations to the fund. Authorizes money in the fund to be used for the purpose of administering any self-funded long-term care plan and for paying the administrative expenses of the long-term care program. Provides that the fund is not subject to legislative appropriations, except that the legislature in the General Appropriations Act may limit the amount in the fund used to pay administrative expenses.

Sec. 6. INVESTMENT OF FUND. Authorizes the board to invest assets of the fund in any investment in which an asset of a retirement system of which the executive director is a member of the board to be invested. Provides that the board is subject to the investment standard provided by Section 67(a)(3), Article XVI, Texas Constitution. Authorizes the board to employ an investment staff or contract with independent investment managers.

Sec. 7. IMPLEMENTATION. Authorizes the board to implement the long-term care program developed under this article when the board determines that it is feasible to do so.

SECTION. 2. Requires the board to file a report with the governor, lieutenant governor, speaker of the house making its recommendations for the resources necessary to implement the program if the board does not implement the long-term care program under Article 3.50-2A, Insurance Code, as added by this Act, before January 1, 2001.

SECTION. 3. Effective date: September 1, 1999.

SECTION. 4. Emergency clause.