

HOUSTON★CHRONICLE

Sunday, January 24, 2016 | HoustonChronicle.com and Chron.com | Vol. 115, No. 103 | \$3.00 ★★★

Partly cloudy, High 66, Low 56

Trump, Cruz lead new rift in GOP

As rivals swing at each other, conservatives take sides

By Kevin Diaz and Brian M. Rosenthal

EXETER, N.H. — In the frenzied struggle for the soul of the anti-establishment right, even the Duck Dynasty stands as a house divided.

A new television ad for U.S. Sen. Ted Cruz features the reality show family patriarch Phil Robertson urging viewers to vote for the Texas Republican. But Robertson's son and co-star, Duck Commander CEO Willie Robertson, endorsed businessman Donald Trump at an outdoor sportsman rally Thursday in Nevada.

The split is emblematic of the deepening divide within the GOP's anti-Washington uprising, where two outspoken allies-turned-rivals are scrambling for the support of charismatic champions such as former Alaska Gov. Sarah Palin and former Fox News host Glenn Beck just over a week before voters in Iowa begin the nationwide process of choosing the party's 2016 presidential nominee.

The division within the insurgency has upended the primary — and sparked a parallel reckoning among a Republican establishment increasingly reconciled to what was once unthinkable: either Trump or Cruz at the top of the ticket.

In recent days, some influential party leaders have begun taking sides on the question of which outsider would be more palatable, and electable, with many settling on Trump due to his more likeable personality and more apparent willingness to compromise.

But the fight also carries risks for the anti-establishment conservative movement that has accumulated

GOP continues on A7

CITY & STATE

Animal trainer's tour of all-feline troupe performing tricks comes to Houston.

Page B1

SPORTS

Don't look now Texans fans, but Gary Kubiak is in the AFC title game.

Page C1

ESCAPE

There's more to Mardi Gras than beads; here's how to do it like a native New Orleanian.

Page L1

Families losing kind of care they need as insurers narrow plans



Austin Faught, 33, gives saline in a nebulizer to his son, Jack, who wears a vest that helps his body loosen up the mucus inside his lungs. The 11-month-old has to go through the treatment more than once a day.

Marie D. De Jesús / Houston Chronicle

Couple part of growing struggle to keep costly treatments

By Jenny Deam

The boy and his dad sit in the glow of the nursery lamp, their shadows wide as they rock together in the big chair. Bedtime is coming. But first there is the machine.

A switch is flipped and the medical contraption roars to life with an insistent whine. It looks like a Shop-Vac whose ribbed hose snaps into a special vest slipped over footie pajamas. The power of the machine makes every inch of 11-month-old Jack Faught shake in the hope of loosening mucus in his airways.

For a half hour his chubby cheeks quiver, as do little fingers. Even his eyelashes vibrate. It is the third treatment of the day. Through it all, he never cries.

"It's all he knows," says Austin Faught, pressing his face close to his son. Since last spring, first-time parents Austin and Kyra Faught have stumbled, fallen and risen



Jack has cystic fibrosis, a lifelong disease that damages the lungs and pancreas. There is no cure.

UnCovered

First of an occasional series on the health care crisis in America.

again after learning their child has cystic fibrosis, a lifelong disease that damages the lungs and pancreas. Left untreated, it could kill their son. If poorly treated, his life

could be shortened. Their vision of parenthood forever changed, they threw themselves into battle against his sickness.

Three weeks ago, a new fight landed at their doorstep, one that came with just as many tears and sleepless nights, waged not with medicine but phone calls and fax machines. It was with their insurance company as they begged to let Jack

stay at Texas Children's Hospital, home to Houston's only accredited cystic fibrosis center and the team of specialists who were helping to keep him alive.

Their story is part of a larger one being played out across Houston and the nation as the insurance industry reacts to its changing landscape by moving customers into narrower plans. At a time when millions of lower-income Americans are enjoying insurance coverage, some for the first time, an untold number of middle-class families are discovering that the kind of health care they want and need is slipping from their grasp.

On the final day of 2015, tens of thousands of Blue Cross and Blue Shield of Texas health insurance customers, including the Faughts, saw previous plans expire. Those with serious illnesses had been fretting for weeks over what such a change

Parents continues on A9

Storm cripples East Coast

Region brought to standstill by high winds, snow

ASSOCIATED PRESS

NEW YORK — A blizzard with hurricane-force winds brought much of the East Coast to a standstill Saturday, dumping as much as 3 feet of snow, stranding tens of thousands of travelers and shutting down the nation's capital and its largest city.

After days of weather warnings, most of the 80 million people in the storm's path heeded requests to stay home and off the roads, which were largely deserted. Yet at least 18 deaths were blamed on the weather, resulting from car crashes, shoveling snow and hypothermia. And more snow was to come, with dangerous conditions expected to persist until early Sunday, forecasters warned.

"This is going to be one of those generational events, where your parents talk about how bad it was," Ryan Maue, a meteorologist for WeatherBell Analytics, said from Tallahassee, Fla., which also saw some flakes.

The system was mammoth, dropping snow from the Gulf Coast to New England. By afternoon, areas near Washington had topped 30 inches. The heaviest unofficial report was in a rural area of West Virginia, not far from Harper's Ferry, with 40 inches.

As the storm picked up, forecasters increased their snow predictions for New York and points north and warned areas nearly as far north as Boston to expect heavy snow.

"This is kind of a Top 10 snowstorm," said weather service winter storm expert Paul Kocin, who co-wrote a two-volume textbook on blizzards.

It was Top 3 in New York, where more than 25 inches of snow had fallen as of 7 p.m. Saturday, close

Storms continues on A18

At top of its game, UT's Ransom Center still adapts

Library adding digital formats for major exhibits

By Alyson Ward

When Gabriel García Márquez died in 2014, his archive of manuscripts, letters and photos might have ended up at Yale, Harvard, Stanford — or even somewhere in his native Colombia, where he's a beloved national figure. But instead, the widow and sons of the Nobel Prize-winning au-

thor of "One Hundred Years of Solitude" and "Love in the Time of Cholera" sent it all to Austin to join the papers of William Faulkner, James Joyce and other literary greats.

The García Márquez archive is just one of the recent big gets for the Harry Ransom Center at the University of Texas, housed in a seven-story building along the western edge of the Austin campus. In just the past few years, the library has snapped up Booker Prize-winner Kazuo Ishiguro,

celebrated English novelist Ian McEwan, U.S. Poet Laureate Billy Collins, poet Millie Williams, novelist and poet Julia Alvarez, and the entire archive of McSweeney's literary journal and publishing company.

Nearly 60 years old, the Ransom Center is at the top of its game. But even as the library rides high, it must also learn to adapt to a shifting landscape.

The literary canon reaches far beyond the

Ransom continues on A11



Iliana Panich-Linsman

Rodrigo García, son of Gabriel García Márquez, examines a display with his wife, Adriana Sheinbaum.

Index

Books G4 Dining G10 Horoscope G14 Outlook B11
Business D1 Directory A2 Lottery A2 Sports C1
Crossword G11 Editorials. B13 Obituaries. B7 TV G11



Houston's Source for Breaking News Go to Chron.com throughout the day for the latest stories, photos and video from Houston's No. 1 news site.



Fresh All Natural Pork Shoulder Blade Roast
Solid whole in the bag
Limit 4 please

99¢ lb
Card Price

Randalls
HOUSTON'S 1966
HOMETOWN STORE SINCE

Prices effective:
January 24 thru January 26, 2016

Jumbo Sweet Cantaloupes
Card Price: \$1.50 ea.

2\$3 for
Card Price

FROM THE COVER

Parents hope to do advocacy work for others

Parents from page A1

would mean, especially as word seeped out that the city's top hospitals would no longer be covered.

The couple learned as soon as the calendar turned. At \$967 per month, their new health maintenance organization plan is virtually identical in price to their former plan, known as a preferred provider organization, or PPO.

The replacement HMO prohibited in-network access to Texas Children's Hospital.

At least 1,000 other children who have been treated there may have lost access when they lost their insurance plan — double what administrators first feared.

"When Jack was first diagnosed, we were devastated. The one thing that got us through was knowing that we were within minutes of one of the best medical centers in the country and specifically one of the best cystic fibrosis centers. To have that taken away ..."

Kyra's soft voice trails as she struggles to find the word. "It's a horrible feeling."

There is no cure for cystic fibrosis, only vigilance. And hope.

Each day, in addition to hooking Jack to the machine to unblock mucus, his parents crush two dozen enzyme tablets, hiding them in bowls of applesauce and yogurt to help his body absorb nutrients so he can grow.

There are the squirts of liquid antibiotics squeezed into his mouth three times a day to derail infection and the inhaler mask that nearly swallows his tiny face to help him breathe. A 32-ounce bottle of hand sanitizer sits by the front door right next to the open Bible.

'Unsustainable' plans

It might seem as if this all began last October when Kyra, 30, quit her job at an oil and gas company to become an independent contractor, making both her and 33-year-old Austin, a real estate developer, self-employed. By leaving, she lost her employer-based insurance plan that had kept Jack's medical needs well covered.

But in truth, the Foughts' collision course with the insurance industry was in motion months, if not years, before.

When the Affordable Care Act passed in 2010, it came with the fundamental pillar that people with pre-existing conditions or complex medical issues must be covered. This was especially important for the self-employed in the individual market who had previously faced cancellations or no coverage at all if deemed too much risk.

Insurance companies said they supported the law, standing to gain millions of new customers. But soon there were complaints that they underestimated the scope of the ACA's mandate to cover those who went to the doctor often or needed expensive care. Premiums had to rise — often by double-digit percentages — and plans changed with the expensive providers jettisoned to compensate for shortfalls, insurers said.

In the summer of 2015, Blue Cross Blue Shield of Texas, the state's largest insurer, announced it was eliminating all of its 367,000 PPO plans statewide, including 88,000 in the Houston area. Company executives called the plans "unsustainable" and announced a \$400 million loss even as its nonprofit parent company in Chicago had amassed a \$9.9 billion surplus in profits.

The insurer declined to comment on the Foughts' case without written permission from the family.



Austin and Kyra Fought enjoy time with their 11-month-old son, Jack. The couple spent long hours on the phone fighting Blue Cross Blue Shield of Texas so they could continue Jack's treatment for cystic fibrosis at Texas Children's Hospital.

But Edna Perez-Vega, senior manager for media and public relations, said on Friday that even if given such permission, any comment would have to be cleared by their legal department and would not be available for this story. She also declined to make any executive available for an interview.

PPO plans are typically more expensive and favored by those wanting broader access. By comparison, HMOs are often considered "gatekeepers" requiring pre-authorization to stray outside the network.

When the 2016 individual enrollment period opened Nov. 1, there were no PPO plans by any major insurer in the Houston area either on or off the federally mandated exchange. Humana and Cigna also eliminated the option. (Humana re-entered the market in mid-December offering a PPO plan off the federal exchange).

The Foughts knew none of this. Kyra verified online that she could buy a plan covering Jack's care when she quit her job. The couple signed up for a Blue Cross Blue Shield individual PPO at \$1,010 per month with an effective date of Nov. 1. On Nov. 4, they got an email saying their plan would be eliminated at year's end.

Worried, Kyra immediately called the insurer and asked what would happen to Jack if they enrolled in the replacement HMO plan. She says she was reassured that because the baby was "already in the system" the switch to HMO coverage "was just paperwork," Kyra says she was told.

But it was far from that easy.

Desperate for a referral

On Jan. 4, the first Monday of the new year, with an appointment with Jack's care team in two days, Kyra again called her insurer to check coverage. It was the first time she heard they needed a referral from an in-network primary care provider. Since his doctors affiliated with Texas Children's Hospital were now out-of-network, she had to quickly find someone new.

The first doctor given to her had a disconnected phone. The receptionist at the second doctor's office said he had not shown up for work in months. The Foughts got a recommendation for a third doctor, this one at a crowded pedi-

atric clinic.

Children with cystic fibrosis are at great risk for infection. Austin was so alarmed by the swarm of sick kids at the clinic, he swabbed the examining table with his own sanitizing wipes. While he says the doctor was professional, she did not seem versed in cystic fibrosis care. His first instinct was to grab his child and flee, but he needed the referral.

Kyra figures she spent at least 15 hours on the phone with her insurer that first week of January. She pleaded, she swore, she

"We recognize health-related issues can be stressful for families and we work as quickly as possible to help all of our members with their questions or concerns about their coverage."

Edna Perez-Vega, senior manager for media and public relations for Blue Cross Blue Shield of Texas

cried so hard she could not breathe, all the while being passed from one person to the next trying to get Jack's referral in time for his tests. "I felt like they were stalling or just making stuff up," she says. They had to cancel the appointment.

That night, Austin wrote to the CEO at Health Care Service Corp.: "My wife and I understand that we are dealing with politics and business here. However, this situation is far more important to us and Jack than politics and business."

The unilateral decision by BCBS to disrupt Jack's continuity of care is having a devastating effect on our family."

They have never received a reply.

The first denial by Blue Cross Blue Shield came by phone the next day. Austin felt woozy. "How can you do this?" he shouted into the phone. He was told they would be getting an explanation in writing.

That came by fax at 6 p.m. on Jan. 11. It said Jack's treatment at Texas Children's Hospital was not necessary because "covered services were available through a participating provider."

The decision was made by an unnamed insurance company doctor whose specialty was obstetrics and

gynecology.

Dr. Michelle Mann, a pediatric pulmonologist who leads Jack's care team, entered the fray in a "peer to peer" consultation with an insurance company doctor she declined to name. She says she painstakingly laid out Jack's treatment and why cystic fibrosis protocol must be followed. Nationally, there are 120 care centers accredited by the Cystic Fibrosis Foundation, Houston has one.

"She wanted to know why he couldn't just be seen by a pediatrician," Mann said last week in an interview.

Ultimately, the insurance company doctor agreed there was no comparable care and approved treatment out of network. Mann can't remember the doctor's exact words but felt certain the approval covered the entire year. That night, the Foughts wanted to celebrate but feared it was too good to be true.

It was. On Jan. 18, the couple got a call from their insurer: The approval was good only until Feb. 5. For further care, they would have to go through it all again.

"We recognize health-related issues can be stressful for families and we work as quickly as possible to help all of our members with their questions or concerns about their coverage," said Vega-Perez at Blue Cross Blue Shield.

She added that a system is in place to help customers who want to challenge a denial, including being assigned a case manager or having their physician speak with a company-hired doctor.

Vega-Perez declined to disclose how often denials are overturned or specify who the doctors are who make company medical determinations.

She said the insurance market has "evolved significantly," which has led to "adjustments." But she stressed that "based on our customers' experience with tailored and managed networks of doctors and hospitals, we know that quality care is very much possible at a lower cost."

Finally fed up, last week the Foughts signed up for a Humana PPO plan at \$967 a month with a \$6,450 deductible that includes Texas Children's Hospital. Already, Austin worries that

with all of the former Blue Cross Blue Shield customers flocking to Humana's plan, it, too, will vanish next year.

Doctors alerted

The story of Jack and his family has spread through the halls of Texas Children's Hospital, making its ways to the executive offices. Randy Steward, the hospital's director of managed care contracting, finds it disturbing.

"What this shows is not every patient is going to fit into their box," he says of insurance company rules. He calls their exceptions to in-network coverage "a short list," including pregnancy, hospice, chemotherapy and radiation, dialysis or proof there is no other comparable care within 75 miles.

But what of those he calls the "square pegs who fall out of the round hole"? For example, children born prematurely can need lifelong care, often under the guidance of three or four specialists, he says.

Physicians at the hospital's clinics have been alerted to reach those who may have lost coverage to help with appeals.

"It's the 20th of January. I might know more the 20th of February," he said last week. "I'm more worried about the family in March who finds out for

the first time their child has cancer."

He sees the Foughts as exceptions. He wonders about the families who may not have day after day to sit on the phone to fight with the insurance company.

The couple believes the barriers thrown at them were intentional, designed to wear them down. "I felt all along the way that we are going way beyond what Blue Cross expects people to do," says Austin.

He and his wife hope to begin advocacy work for other families of cystic fibrosis children.

Thirteen days ago, Jack took his first step. In three weeks, he will turn 1. There will be a party, and baseballs will be involved. Austin played college ball and was drafted by the Texas Rangers before an injury derailed his athletic career. He dreams of passing his passion on to his son. Kyra dreams of being that mom cheering from the stands.

Jack's doctor says it is possible.

A generation ago, a child with cystic fibrosis rarely lived to enter kindergarten. Today, with diligent care, they can enter middle age. In Jack's lifetime, there could be a cure.

The Foughts know all those statistics by heart. It's what gets them through the hard times.

jenny.deam@chron.com
twitter.com/jenny_deam

BBVA Compass

Big rate. Bright idea.

1.35% APY

13 Month CD

In-branch rate only.
Online rates may vary.

For more information call 1-800-COMPASS or visit:

Any Branch bbvacompass.com/brightcd

banking on a brighter future.™

Accounts subject to approval. \$500 minimum opening deposit required to earn the advertised Annual Percentage Yield (APY). APY accurate as of 1/20/2016. Rates are subject to change. Advertised APY available only for accounts opened in-branch. Otherwise, APY may vary. Substantial penalty for early withdrawal. Fees could reduce earnings on accounts. Other limitations may apply. BBVA Compass opens CD accounts that have no certificate known as Time Deposits or TDs. CDs are FDIC insured up to applicable limits. BBVA Compass is a trade name of Compass Bank, a member of the BBVA Group. Compass Bank, Member FDIC. Rev 12/2015 / 430612

HOUSTON CHRONICLE

Sunday, April 24, 2016 | HoustonChronicle.com and Chron.com | Vol. 115, No. 194 | \$3.00 ***

Partly sunny, High 81, Low 67

Official's business interests omitted

Miles' 'corrected' ethics forms filed after questions

By James Drew and Ericka Mellon

State Rep. Borris Miles, a Houston Democrat, repeatedly failed to disclose his business interests in three companies as state law requires.

The lawmaker did not report on state ethics forms for several years that he had an ownership stake in two hospice agencies or that he owned an entertainment company that operates a cigar bar in south Houston. Miles rectified these omissions in recent days after the Chronicle inquired about them. Through his attorney, he filed "corrected" ethics statements and "good-faith" affidavits in which he says, "I swear, or affirm, that any error or omission in the report as originally filed was made in good faith."

On the new forms, Miles disclosed that he had business interests in Attentive Hospice from 2012 through 2015, in A-1 Hospice of Houston in 2009, and in GoodLife Management from 2009 through 2013.

Ethics continues on A11

4 ISIS agents' path to Europe

Posing as migrants from Syria, 2 later joined Paris attack

By Anthony Faiola and Souad Mekhennet
WASHINGTON POST

SALZBURG, Austria — On a crisp morning last October, 198 migrants arrived on the Greek island of Leros, all of them seemingly desperate people seeking sanctuary in Europe. But hiding among them were four men with a very different agenda.

The four were posing as war-weary Syrians — all carrying doctored passports with false identities. And they were on a deadly mission for the Islamic State.

Two of the four would masquerade as migrants all the way to Paris. There, at 9:20 p.m. on Nov. 13, they would detonate suicide vests near the Stade de France sports complex, fulfilling their part in the worst attack on French soil since World War II.

The other two men would not make it that far.

ISIS continues on A11

Layoffs expose new hole in health care safety net

Middle classes left strapped by coverage gap

By Jenny Deam

On that December evening, Shaun Conley walked through the door of his pretty brick house in The Woodlands, scooping up kids as they ran to him. His smile stayed bright through dinner, through baths and story time, never once betraying the churn in his gut.

"How was your day?" his

UnCovered

One of an occasional series on the health care crisis in America.

wife, Christie, asked. Fine, Shaun replied, as he had a thousand times before. Only later, after their three children were asleep, did he begin to fall. He pulled his bewildered wife into their bedroom and closed the door.

"We need to talk," he

began, swallowing hard. "I was laid off today."

In truth, it was not a complete surprise. Tens of thousands of people in the region's decimated oil and gas industries have lost jobs since the price of crude went into free fall. Still, his wife paced the room, cursing Baker Hughes, the global oil service giant and the only company for which 37-year-old Shaun had ever worked.

He told her they would be OK. She repeated it back.

ACA continues on A9



Elizabeth Conley / Houston Chronicle
Shaun Conley, center, who lost his job with Baker Hughes, attends Between Jobs Ministry in Spring.

Is this the new normal?

After storms turn Space City into Flood City, experts believe the future could be even worse



Michael Ciaglo photos / Houston Chronicle

Good Samaritans who were trying to rescue others from the flooding in the Greenspoint area last week were forced to take shelter on top of their truck after it got stranded on Seminar Drive.

By Kim McGuire and Mike Tolson

When the rains stopped and the skies brightened, Houston once more was viewed by the world through a prism of disaster: thousands of homes and hundreds of thousands of people swamped by a sea of muddy brown water. The misery was fresh. The images were anything but.

Space City might be the preferred nickname, but Flood City is more like it. The furious storm that dumped more than a foot of water across a broad swath of Houston on Sunday night and early Monday brought to mind scenes from another such storm on Memorial Day 2015, which in turn rekindled memories of storms in 2012 and 2013 that produced flood victims of their own.

And future storms are more likely than ever to threaten homes and



A woman walks through floodwaters last week in front of the Arbor Court Apartments, one of many affected complexes in the Greenspoint area.

roadways with inundation, even in neighborhoods that don't border on creeks or bayous. If there is a consensus among conservationists, engineers, ecologists, hydrologists, urban planners, climatologists and other experts regarding Houston's prospects in a time of climate change, it is that neither city nor county officials have

taken adequate steps to address the realities imposed by life on a rainy coastal plain.

"This should not have happened like this," said Phil Bedient, a civil and environmental engineer at Rice University who heads a research collaborative focused on severe storms and their effects. "There is something terribly wrong here."

That something, in general, is no great mystery. Decades of intense residential and commercial development across Harris County, especially on the relatively higher ground north and west of Houston's center, have taken place with only modest attempts to compensate for change to the area's natural drainage system. The crucial freshwater wetlands, which collect and retain water, have been destroyed at an alarming pace — more than 65 square miles filled in since the early 1950s, according to research done by coastal ecologist Erin Kinney.

The precise effect of a particular storm on a particular geographic area may be a complex matter. But the prescription for those who make public policy is fairly simple — plan carefully.

The information available to both developers and public agencies is

Floods continues on A4

Cruz shifts attack points

Senator's focus turns to Midwest, delegate count

By Kevin Diaz

WASHINGTON — Anxious to turn the GOP race back onto friendlier ground in the Midwest, Ted Cruz telegraphed the importance of Indiana last Thursday at the state's annual Republican spring dinner.

"The state of Indiana is going to play a pivotal role in this election," Cruz said. "The entire country, their eyes are on the state of Indiana, the men and women in this room."

While the public face of the campaign still dwells on winning rural states like Indiana, Nebraska, Montana and South Dakota, strategists behind the scenes talk of an unpredictable war of attrition for delegates.

"The media is laser-focused on states, and we are laser-focused on delegates," said Katie Packer, a Republican strategist and founder of Our Principles PAC, which has spent more than \$4.4 million since January to thwart GOP front-runner Donald Trump.

Cruz also has been campaigning in five Northeastern states that go to the polls on Tuesday. One is Pennsylvania, with a bonanza of 71 delegates. With Trump favored to dominate all five, however, Cruz is jumping ahead this week to Indiana.

Cruz acknowledges there are not enough states or delegates left for him to win the GOP nomination outright. The overriding campaign strategy, instead, has turned to making sure Trump cannot reach the 1,237 delegate majority to clinch it either — forcing a contested convention in which the Texas senator will have the upper hand with longtime party activists.

"We are headed to a contested convention," Cruz said Wednesday, making his strategy explicit in a radio interview in Philadelphia. "At this point, nobody

Cruz continues on A8

Index

Books G4 Dining G18
Business D1 Directory A2
Crossword G15 Editorials B13
Obituaries B6 TV G15



Houston's Source for Breaking News Go to Chron.com throughout the day for the latest stories, photos and video from Houston's No. 1 news site.



Prices effective:
Sunday, April 24 thru Tuesday, April 26, 2016

FROM THE COVER

ACA often offers little help to middle class

ACA from page A1

predawn darkness, neither could sleep.

For Shaun, despair and math collided. How long would their savings last? Could they keep the house? Had he failed his family?

Christie was battling another panic, hers coming in a single thought: What will they do for health insurance?

■ ■ ■

It is a uniquely American predicament that strikes its middle class the hardest.

The Affordable Care Act has provided insurance to millions of poor and near-poor in recent years, but an unanticipated coverage gap has emerged for the middle and upper-middle classes. When people who once had good jobs with good health plans lose both, they suddenly are seen as too affluent to qualify for assistance yet in reality are too strapped to afford the policies available in the individual market.

"In the U.S., losing your job could mean losing your health insurance. Most other countries don't do this," says Jessica Roberts, director of the Health Law & Policy Institute at University of Houston's Law Center.

There are options for people like the Conleys, but none of them is good. For them, the safety nets of this country fail to catch.

The most common advice is to turn to COBRA, a federal program that allows unemployed workers to keep their previous employer-based coverage. Some say it is well named because of its bite.

People who use COBRA often must pay for the entire premium of typically expensive policies without any employer contribution plus an additional administrative surcharge. That can bring premiums for a family well in excess of \$1,000 a month, and they usually run out in 18 months.

"The ACA, if anything, entrenched our dependence on employer-provided health insurance," Roberts says, explaining that under the law large companies are now mandated to provide health coverage, which perpetuates the cycle. "This is what we get when we link health insurance with employment."

It wasn't supposed to be like this. The majority of people in this country get their health insurance through their jobs, a perk that began in the post-World War II era and became deeply ingrained in the nation's workplace culture. When the ACA passed in 2010, the assumption was that those without employer plans could turn to the health care exchange for affordable coverage.

Premiums would stay affordable because people with modest means could get subsidies to lower the price. The higher income brackets could afford to pay out of pocket.

But in the years since the law passed, coverage has narrowed, deductibles have risen and insurers have demanded double-digit rate increases in the individual market to counteract losses they say blindsided them.

Those with subsidies have been mostly shielded. But for those who don't qualify, health coverage is becoming increasingly out of reach.

"That's the hole," Roberts says. "It is contrary to the spirit of the law."

■ ■ ■

Nowhere is that hole sinking faster than in Houston, a city built on oil and gas.

In the summer of 2014, crude oil was trading at \$107 per barrel. Salaries and benefit packages were sky high to woo the best. Then came the crash, swift and brutal. Today, the price of oil has been slashed by more than half.

Last year alone, nearly



Elizabeth Conley photos / Houston Chronicle

Shaun and Christie Conley of The Woodlands have three young children. The family was forced to turn to COBRA for health insurance and now pay \$1,740 per month — more than their mortgage payment.

50,000 people in the Houston area, roughly the population of Biloxi, Miss., saw their energy-sector jobs vanish, says Bill Gilmer, an economist and director of the Institute for Regional Forecasting at the University of Houston.

On Dec. 3, Shaun Conley became one of the Houston 50,000.

Late in the afternoon, his boss texted him, asking to meet in the conference room. When Conley arrived, the first thing he saw was a woman from human resources with a blue folder. Everyone knew what the blue folder meant.

Shaun had worked for Baker Hughes for 15 years, hired out of college to work on an oil platform in the Gulf of Mexico. He rose to operation manager in a glass office making just over six figures. When he returned to that office that day, two boxes for his belongings were waiting for him.

As he began working on his résumé, his wife began working the phone, looking for health insurance.

Christie, a stay-at-home mother of children ages 5, 3 and 1, has severe allergies treated with immunotherapy injections. The company insurance plan, extended for three months as part of Shaun's severance package, ran out early last month. Christie's treatments will last until the end of April.

She first turned to the federal exchange's special enrollment period. But because a lump sum severance payment landed in January, the family income for this year is considered too high for a subsidy — even though neither is working.

The kind of coverage she hoped for cost about \$1,200 a month out of pocket on the exchange.

But even if they paid it, none of the children's doctors are in-network on any exchange plans. Christie's doctor told her he would not accept any plans off the exchange because they are too narrow and won't allow referrals for tests and treatments convenient for his

patients.

Christie then looked to the private individual market. One plan's premium was \$1,300 per month and had a yearly family deductible of \$13,000.

She found a more affordable option, an à la carte plan offered through Private Healthcare Systems that her doctor accepts. The stripped-down offering cost about \$600 a month but allows only three "sick" visits each year per person. There is no coverage for checkups for her children or preventive care.

Still, she figured she could take the kids to community clinics for their immunizations since the state of Texas offers those for free. Then she discovered the plan is not accredited under the health care law. That means the family would face a \$2,300 penalty for being "uninsured."

Which left COBRA. The Conleys now pay \$1,740 per month — more than their mortgage payment.

They know they are luckier than some. They stockpiled savings, and the children's grandparents have stepped in to pay for the extras of childhood like swim lessons and preschool. But the bills keep coming. Money is tight and getting tighter. Starbucks is now a luxury.

Christie was a teacher before kids. She could do it again but is not certified in Texas. Even if she found a teaching job, day care for three young children would run nearly \$3,000 a month, erasing most if not all of her paycheck.

Shaun has sent out hundreds of résumés. Looking for work fills his days. Each Wednesday morning, he drives to the North West Bible Church in Spring to the Between Jobs Ministry.

These days, he says, ministry meetings get so crowded "they are hanging from the rafters." Four hundred is not uncommon, many in suits and ties, clutching résumés to press into the hands of anyone who will take them.

Shaun has sent out hundreds of résumés. He

had one interview in four months and didn't get the job. He's starting to look in other fields.

■ ■ ■

Texas continues to lead the nation in both the number and rate of uninsured, with as many as 5 million lacking coverage. If the oil industry collapse continues, that number could rise.

"This would be an entirely different population," Roberts says.

"It's not like people want to be uninsured. Most people would love to have insurance," says Amanda Shiller, a 37-year-old Magnolia mother of two, sitting outside her mother's auto repair garage, where she now helps out.

As a senior buyer making \$74,000 per year, she had dodged the layoffs that swept through Canrig Drilling Technology last January and April. On Oct. 20, it was her time to go. She remembers the dread of seeing a woman from human resources already there at 6 a.m. The police were parked outside in case



Amanda Shiller goes over her daughter Samantha's homework in their Magnolia home. After losing her job, Shiller rationed her pills due to lack of insurance.



» For more stories on those living without insurance, go to HoustonChronicle.com/tbeuncovered

anyone got too angry.

Shiller's health insurance expired at midnight. She rushed to the drugstore and filled her prescriptions while she still had coverage. She has a thyroid condition, attention deficit hyperactivity disorder and bipolar disorder.

She used to have "spells" when she felt irritable, her brain racing. Then she fell into deep remorse.

"The medication was like an immediate fix. I feel like I'm myself all the time. I feel normal," she says, adding that her conditions did not interfere with her work when on medication.

Her husband, Josh, works for his stepfather's law office doing administrative work, but the job pays less and does not offer insurance. With her income and insurance gone, they could not afford \$1,600 per month for COBRA. She looked online at the exchange plans but initially thought they, too, were too expensive. She found an off-exchange plan for about \$450 a month, but it did not cover her \$1,200-per-month prescriptions.

She considered skipping insurance. She has friends who now do that. She fig-

ured that with online pharmacy coupons she could get the price down and it would be cheaper to pay out of pocket even with the penalty for being uninsured. But her son plays sports, and his teams require insurance.

So with credit cards maxed out and bills piling up, she began rationing pills.

"I would skip doses or take them every other day to make them last," she admits. When she stopped taking them entirely in late March, she felt the agitation creeping back. Stress makes her condition worse.

Earlier this month, she returned to the exchange. This time she called instead of logging on and was told her family qualified for a subsidy to reduce the premium to \$483 per month.

She cashed out her entire 401(k) retirement account to pay off the truck, an old construction loan and all of the credit cards. When her unemployment runs out in May she thinks they probably can make it.

"I still view myself as middle class," she says, "But life is changing for us."

jenny.deam@chron.com
twitter.com/jenny_deam

Dillard's

Join us for a ...

SPRING BEAUTY & FRAGRANCE CELEBRATION

THURSDAY, APRIL 28 | 11 AM - 8 PM
DILLARD'S BAYBROOK MALL

THURSDAY, APRIL 28 | NOON - 8 PM
DILLARD'S THE WOODLANDS MALL

FRIDAY, APRIL 29 | 11 AM - 8 PM
DILLARD'S MEMORIAL CITY MALL

Enjoy a personal beauty training session from our Beauty experts.

Learn skin fitness and complexion basics and find out about the newest fragrances and spring color trends for eye, cheek and lips.

Enter for a chance to win prizes from your favorite Beauty brands and receive a special gift with your qualifying beauty or fragrance purchase.*



*While supplies last. Quantities are limited. Available in store only. See associate for details.



BBVA Compass

Big rate. Bright idea.

1.15% APY*
12 Month CD In-branch rate only. Online rates may vary.

For more information call 1-800-COMPASS or visit:

Any Branch bbvacompass.com/brightcd

banking on a brighter future.™

*APY accurate as of 4/1/2016. Accounts subject to approval. \$500 minimum opening deposit required to earn advertised Annual Percentage Yield (APY). Rates subject to change at any time. Advertised APY is available only for new 12-month CD accounts opened in-branch. Otherwise, APY may vary. Advertised rate only available for the initial 12-month term and will not apply for subsequent renewal terms. Substantial penalty for early withdrawal. Fees could reduce earnings on accounts. Other limitations may apply. BBVA Compass opens CD accounts with no certificate known as Time Deposits. CDs are FDIC insured up to applicable limits. Promotional rates are also available for businesses with annual revenues of \$5 million or less. BBVA Compass is a trade name of Compass Bank, a member of the BBVA Group. Compass Bank, Member FDIC.

115
ANNIVERSARY
HOUSTON CHRONICLE

Major stories and events
PAGE A7

SPONSORED BY
MATTRESS FIRM

CITY | STATE
Going Green
Party officially nominates Stein for president. **PAGE A3**

SPORTS
Astros fall short
Ex-Astro Beltran helps seal Rangers' 3-2 win. **PAGE C5**

THIS WEEK'S COUPON SAVINGS
More than
\$300
in coupons inside today
Total savings this year:
Over \$8,800

HOUSTON CHRONICLE

Sunday, August 7, 2016 | HoustonChronicle.com and Chron.com | Vol. 115, No. 299 | \$4.00 ***

Partly cloudy, High 98, Low 78

Bust has Texas gang in 'chaos'

Feds: Aryans 'don't know who to trust' as some take deals

By Dane Schiller

The Aryan Brotherhood of Texas wanted a pound of Albert Parker's flesh, and they took it with a blowtorch.

The blue flame melted the large, dark tattoo on his rib cage — the gang's badge of honor, a declaration that Parker was a made man in a group where membership is for life, orders must be obeyed, and respect means everything.

Everything, that is, until it came time for some to save their own skin.

"God forgives. Brothers don't," is the gang's mantra, and Parker had dared to question the authority of a higher-up. In retribution, he was beaten, burned and left for dead in the North Texas countryside.

But Parker survived, and the brutal tribunal that tried to kill him got swept into a landmark criminal case now considered to be the largest federal punch ever landed against a Texas crime syndicate.

Nearly 75 of the gang's leaders and associates were charged and convicted in the wide-ranging conspiracy case. Half of those charged eventually cooperated with authorities in exchange for leniency, even if it meant being marked for death forever by their former brothers.

The turmoil it left behind has virtually stopped the Aryan Brotherhood's reign of terror in Texas, federal authorities said.

At least for now.

"They are in chaos, absolute chaos," said David Karpel, the Department of Justice organized crime lawyer who spearheaded the prosecutions. "It has

Gang continues on A26

No job. No insurance. No chance at Obamacare. No safety net in Texas. Welcome to Cuero.



Mark Mulligan / Houston Chronicle

Tyra Franklin worked for 16 years at the Mount Vernon Mills until it shut down in June, wiping out 275 jobs.

Fifth in a series
By Jenny Deam

UnCovered

CUERO — Today there are 24 pills left, little pink triangles tucked into paper wrappers, the only thing that blunts the pain when one of Tyra Franklin's migraines hits.

The doctor said take as needed. Lately she's been needing them a lot.

"With the stress of not having a job, they won't last too long," the newly unemployed 40-year-old single mother said of her prescription for Imitrex.

Eight pills cost \$180, an impossibility without insurance. And that's where she is, without insur-

ance.

Six years after President Barack Obama's health care law passed with its sweeping mandate for nearly universal coverage, Texas still leads the nation in the number of uninsured. More than 4.5 million Texans are without coverage, without consistent medical care.

The story of the uninsured is told in political ideology and unmet promises — unfolding still, one town, one family, at a time.

More than three-quarters of a million Texans now have no realistic entry to health insurance because of the state's vow not to

expand Medicaid. One of the basic pillars of the Affordable Care Act, also known as Obamacare, was that states expand Medicaid programs to scoop up the poor and near-poor and guarantee the access to care. Texas said no.

Those left behind are hard-pressed to find relief in the state's existing system.

Texas is tied with Alabama as having the toughest threshold in the nation for parents to qualify for Medicaid. They can earn no more than 18 percent of the federal poverty level, which means a family of three cannot make more than \$3,628 per year. Childless adults in the state do not qualify at all, according to an analysis by the Kai-

ACA continues on A21

UH bets big on bid for Big 12

College soon will learn if millions spent will pay off

By Benjamin Wermund and Joseph Duarte

In its quest to build a powerhouse athletics program, the University of Houston has reached something of a make-or-break moment.

UH is on a short list of colleges to get into the Big 12 Conference, which is at risk of slipping behind the nation's other elite athletic conferences and is looking to expand from 10 universities. The conference could decide to welcome new members as soon as this month.

For the first time, UH has the support of not only state leaders like Gov. Greg Abbott and Lt. Gov. Dan Patrick but also the University of Texas, which had long been considered a major barrier to UH's entry into the Big 12. Joining a more elite athletic conference would be a major achievement for UH, one that could bring greater media exposure and higher revenue. Last year, every athletics program in the Big 12 made at least \$30 million more than UH.

It's also a costly gamble.

UH has spent more than \$21 million in each of the past three years supporting an athletics program that doesn't make enough money to sustain itself. Last year, UH gave \$26 million to its athletics program — the seventh-highest subsidy in the nation, according to an annual analysis of NCAA finances by USA Today. Athletics spending has frustrated some UH faculty and has driven up the cost of attendance. Rising student fees accounted for nearly 20 percent of ath-

UH continues on A28

Some GOP hopefuls seek to avoid taint of association with Trump

By Jonathan Martin and Alexander Burns
NEW YORK TIMES

After a disastrous week of feuds and plummeting poll numbers, Republican leaders have concluded that Donald Trump is a threat to the party's fortunes and have begun discussing how soon their endangered candidates should explicitly distance themselves from the presidential nominee.

For Republicans in close races, top strategists say, the issue is no longer in doubt. One House Republican has already started airing an ad vowing to stand up to Trump if he is elected president, and others are expected to press similar themes soon.

In the world of GOP super PACs, strategists are going even further: discussing advertisements that would treat Trump's defeat as a given and urge voters to send Republi-

cans to Congress as a check on a Hillary Clinton White House. The discussions were described by officials familiar with the deliberations, several of whom spoke on the condition of anonymity about confidential planning.

For now, some of the party's most vulnerable incumbents are simply hoping to avoid what they see as the taint of association with their standard-bearer.

Trump continues on A28

XXXI OLYMPIC R I O 2016 SUMMER GAMES




Eugene Hoshiko / Associated Press
American Ginny Thrasher struck gold first in the Rio Games, winning the women's 10m air rifle competition Saturday. More in Sports, page C1.

Index

Books G4 | Directory A2 | Lottery C10 | Sports C1
Business B1 | Editorials A35 | Obituaries F4 | TV G6
Crossword G6 | Horoscope G15 | Outlook A33 | Weather A36

Chron.com | HoustonChronicle.com | @HoustonChron | Houston Chronicle
Houston's Source for Breaking News Go to Chron.com throughout the day for the latest stories, photos and video from Houston's No. 1 news site.






USDA CHOICE
Bone In Beef Ribeye Steak
Value Price
Limit 4 with \$10 purchase

5.99
lb
Card Price

50th
ANNIVERSARY
Randalls
Proudly Serving Houston Families Since 1966
Prices effective:
Sunday, August 7 thru Tuesday, August 9, 2016



Ozarka Water
24 pack 16.9 oz.
Nestle Pure Life Water
28 pack 16.9 oz.
Pepsi
6 pack 5 flr. or 8 pack 3.5 flr.
Selected varieties
Single Price: \$3.50 ea.

2.49
ea
Card Price
When You Buy 2 Or More

FROM THE COVER

ACA advocates often missing in small towns

ACA from page A1

ser Family Foundation.

The problem deepened when a troubling gap in the law was exposed. Under the ACA, Medicaid would take care of lower-income people while those with more means, including the middle class, would benefit from federal subsidies to lower premiums. But the subsidies come with a minimum income requirement and no bridge to help anyone stuck in between.

There are 766,000 Texans, the most in any state in the country, making too much money to qualify for Medicaid but not enough to get a subsidy that would make the price of plans on the federal exchange practical, Kaiser said. So they do without.

"So many people are just one accident or bad thing away from being there," said Tiffany Hogue, policy director for Texas Organizing Project, an advocacy group for the state's poor. It happened in Cuero.

In June, Mount Vernon Mills, a collection of aging metal buildings near the center of town, closed its doors for good after offering a century of employment to the town of 6,000.

Two hundred seventy-five people, including Franklin, lost their jobs in one day, sending a second shudder through this land of hot sun and wind perched atop an oil patch. During the boom, some left the mill for more lucrative jobs in the Eagle Ford shale fields only to return when they lost those jobs in the crash of crude prices. Mill workers talk of working elbow to elbow with friends, parents, grandparents, cousins, aunts and uncles.

When their \$10- and \$12-per-hour shift jobs disappeared in an unexpected poof, so, too, did their company-sponsored health plans.

So they roll the dice, ignore their ailments and hope to find work somewhere, someday that gives them benefits again.

On a recent Wednesday, Franklin sat inside the Dairy Queen at 10 a.m. wishing she was at work instead. She was just back from dropping off an application at the H-E-B grocery store. Next she'd try Wal-Mart. She tries not to think of all the others in town who have the same idea.

"I'm a true believer in God," she said, fiddling with her soft drink cup. "I'm living on prayer right now."

■■■

For 16 years, Franklin had clocked in at Mount Vernon Mills, working a 7 a.m.-to-3 p.m. shift, making \$12.42 per hour. She bought a house through Habitat for Humanity a few years back and raised three kids, two still at home. She takes college classes 30 miles away in Victoria, dreaming of a degree in criminal justice. On a good year she made about \$26,000, before taxes.

This is not a good year. The mill had already reduced workers' hours to 32 per week as it struggled to remain open. The pay cut stung, but she loved the job that gave her health insurance and even an on-site clinic where employees could get treatment and prescriptions filled.

Franklin has now applied for unemployment. The best guess, without a new job, is her income for the year will slip to around \$17,000.

Texas Medicaid said she makes too much money. Most of her last paycheck went to her \$180 electric bill. She rushed to the dentist and the pharmacy before her insurance ran out.

She is now one of the Texas uninsured. She knows the right to do so.

"I think my sister tried that," she said, struggling to place the law.

Katrice Jackson, her



Mark Mulligan photos / Houston Chronicle

A drilling site sits among cattle north of Cuero. The town saw a resurgence with the boom in the Eagle Ford shale, but then came the oil bust. Just three active rigs remain in DeWitt County, down from 27 rigs in 2015.

"I'm a true believer in God. I'm living on prayer right now."

Tyra Franklin

sister, logged on to the healthcare.gov website but abandoned it after becoming confused by the maze of questions: "I just don't understand the plans."

Jackson works on call for \$10 per hour at a motel laundry, but since the oil workers left, there haven't been many calls. She, too, has no insurance.

Both women dwell in the Texas coverage gap. If Franklin made \$20,000, she probably would qualify for a subsidy so she could buy a silver plan on the federal exchange. The premiums after subsidy would be between \$48 and \$50 a month. But since she doesn't, she would pay about \$265 per month out of pocket, according to a calculation on healthcare.gov.

Next year it could be even more out of reach. Cuero is in DeWitt County, one of 58 counties in the state with only one insurance company offering plans on the exchange, the Center for Public Policy Priorities said. The insurer, Blue Cross and Blue Shield of Texas, has asked for a 60 percent rate increase for some of its 2017 exchange plans, which could raise her cost to \$424 a month.

"People are going to leave town," Franklin said. "They don't have a choice."

■■■

At a recent emergency community gathering in Cuero, there were information tables about food pantries and help to keep the lights on but nothing about getting health insurance.

"To the best of my knowledge, there has been no education about the ACA here," said Patrick J. Kennedy, executive director of Cuero Development Corp.

When the ACA arrived in the state, Republican leaders pulled the wellcome mat, calling it both unneeded and, more pointedly, a federal intrusion in Lone Star sovereignty.

In 2012, the U.S. Supreme Court ruled that states had the right to choose if they wanted to expand Medicaid. First, former Gov. Rick Perry and now Gov. Greg Abbott steadfastly said they do not.

"Thank God and our nation's founders that we have the right to do so," Perry wrote in a blistering letter to the U.S. Department of Health and Human Services about his refusal to expand Medic-



Sisters Katrice Jackson, left, and Tyra Franklin are both uninsured. Jackson has seen her hours cut at the motel laundry where she works and doesn't make enough to qualify for a subsidy. Franklin, a single mother, is looking for work.

aid or to set up a state exchange to access ACA insurance plans.

Texas is one of 19 states that have not expanded Medicaid despite assurances that the federal government would pay all or most of the cost. By some estimates, Texas has left \$100 billion in federal money on the table over the next decade by its decision.

The law's advocates are quick to accuse Republicans of neglect, but those same advocates often are missing from small-town Texas, where the need is great and the awareness of the law's possibilities are all but nonexistent. Despite a mission to educate and enroll, the nonprofit and community groups who fan out during enrollment season complain of a lack state backing, tight budgets and the difficult logistics of reaching remote areas. It is easier to sign up people in the big cities, they said.

While the state's leadership has made no secret of its disdain of the ACA, it has been less vocal on how to help the uninsured. Previously, Abbott has said Medicaid is underserving of expansion. His office declined to comment for this story.

Perry, during his 2012 bid for the White House, said the government should have a limited role in providing health insurance, a stance applauded by small-government forces. Since hospital emergency rooms are required by law to treat all patients regardless of ability to pay, the poor and uninsured could go there for medical care, he said.

This brought howls of protest from many in the medical community who argued that hospital emergency room care is many times more expensive, and costs fall back on hospitals and taxpayers if the bills go unpaid. Texas hospitals



were stuck with \$6.4 billion in unreimbursed care in 2014, the last year figures were available, according to the Texas Hospital Association.

In January, the number of Cuero patients receiving indigent care at its 42-bed community hospital was 60. In July there were 156, hospital officials said.

Over at LifeWay Baptist Church, Glenn Moore, the affable Republican pastor in a Motley Crue T-shirt, preaches inclusiveness. He is disgusted by the politics swallowing health insurance. One side wants the law to fail, the other won't address its problems.

"The left wing and the right wing are attached to the same bird," he said. "But these days we see everything through the political lens and how it will benefit your side."

■■■

The morning of April 13, Rebecca Johnson felt a wave of happiness as she sat at her desk at Mount Vernon Mills. She was in charge of sending out employee announcements and was told there was news.

Johnson was sure the company was bumping workers back to 40 hours. She composed a message. Then her supervisor tapped her on the shoulder

and said to hold off sending it. Instead, her department was to meet in the conference room.

"I'm sorry to announce the plant will be closing," one of the managers began. As part of the human resources team, Johnson was hearing it first. Other employees would find out soon enough. She felt suddenly queasy.

"What am I going to do?" the single mom thought. "This is how I pay my bills. This is how I support my daughter."

Two months later, the factory, founded in 1903, was deserted. A chain-link fence surrounding the property was padlocked and a sign on the front door read: "No applications accepted." The building and its contents are for sale.

Now the ripples of unemployment flow through town for a second time. Johnson's daughter, Te'era, waited until her mom left the room before she spoke: "She doesn't like to seem sad in front of me, but I know she's stressed," the 14-year-old confessed. Nodding at the refrigerator plastered with schedules and calendars held by magnets, she said, "I think it's my fault because I'm in so much stuff."

Nonsense, her mother said, re-emerging from a bedroom, wearing a smile. But in truth, the money is disappearing like vapor. In May, Te'era was crowned Junior Miss Cuero. Most weekends are filled with trips to events in neighboring towns, often with required outfits. Then there are the sports teams. Family is helping as they can; so are pageant organizers and coaches. No one wants Te'era to give up all she has achieved.

The teenager sees more than she lets on. What scares her most is her mother has no insurance. A year ago, Johnson, 37, found a mass on her neck,

just below her ear. Tests at Houston's University of Texas MD Anderson Cancer Center were inconclusive.

"Sometimes it feels like it may be coming back because it hurts a little. But I just ignore it," Johnson said. She puts olive oil in her ear to dull the ache.

■■■

Not so long ago, town-folk were complaining about traffic and the big 18-wheelers roaring through town. Back then, it was impossible to get a motel room, as they were booked months in advance for the energy workers flooding in during the boom on the shale.

The out-of-towners came with wads of money in their pockets, and the locals looked to the future. Long-delayed dreams to rebuild the schools went forward. The town of 6,000 made plans for six motels.

Then the price of oil plummeted. Then the mill closed.

DeWitt County is the second-largest oil producer in the state, but the workforce has been decimated. Industry figures show that at the beginning of 2015 there were 27 rigs, each with roughly 100 jobs attached. By the start of 2016 it had slipped to 13. Recently there were three.

Mount Vernon Mills was the third-largest employer in Cuero, behind the hospital and the school district. There is now talk of layoffs at the schools and a hiring freeze at City Hall.

Sales tax revenue in Cuero this summer was down 50 percent from 2015. Judith Krupala, the nursing administrator at the hospital, also worked as a nurse practitioner at the mill's clinic taking care of employees. She thinks of them as family.

"The thing that breaks my heart is I go to H-E-B or Wal-Mart and people come up to me and ask me to fill their prescription," she said. "I tell them I can't do that anymore. And they say, 'But I really, really need my medicine.'"

jenny.dcam@chron.com
twitter.com/jenny_dcam


Part 1
One family's struggle for benefits

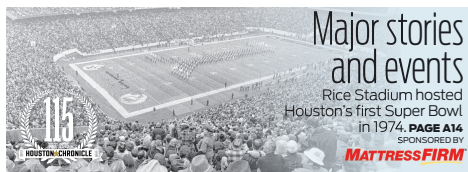
Part 2
A hospital's fight gets ugly

Part 3
Layoffs expose hole in safety net

Part 4
Insurers kill broker fees

Today
The crisis in Cuero


HoustonChronicle.com/
uncovered



THIS WEEK'S
COUPON SAVINGS
More than
\$400
in coupons inside today
Total savings this year:
Over \$10,900

HOUSTON CHRONICLE

Sunday, October 2, 2016 | HoustonChronicle.com and Chron.com | Vol. 115, No. 355 | \$4.00 *** Mostly sunny: High 85, Low 67

Divide over tax zones is assailed

Many poor areas don't benefit as revenue trapped

By Mike Morris and Rebecca Elliott

Oak Meadow Park, in a working-class neighborhood of southeast Houston, has seen better days.

Weeds shroud the sand volleyball court, nearly half the picnic tables are chipped or rusting, and foot-tall grass obscures

LOCKED IN First in a series

much of the baseball field. The area's residents have taken to bringing their own lawnmowers.

Like so many Houston green spaces, this one in Allenbrook has languished as the parks department, squeezed by 15 years of tight city budgets, lost 40 percent of its staff and reduced summer mowing.

Across town, Memorial Park essentially has its own parks director — whose \$200,000 salary exceeds that of the city's own parks chief — and is undergoing a \$300 million transformation, one-third funded with tax dollars.

This disparity is attributable in part to Memorial Park sitting in one of Houston's 26 economic development zones, providing the urban oasis with funding that Oak Meadow Park and others like it do not enjoy.

In these areas, known as tax increment reinvestment zones, a portion of property tax revenues is set aside for reinvestment within the neighborhood, rather than sent to City Hall for city-wide projects.

TIRZs continues on A24

CAMPAIGN 2016

In '95, Trump claimed a \$916M loss, report says

Donald Trump declared a \$916 million loss on his 1995 income tax returns, a tax deduction so substantial it could have allowed him to legally avoid paying any federal income taxes for up to 18 years, records obtained by the New York Times show.

Page A2

UnCovered Sixth in a series

'I am still living like someone who doesn't have insurance'



Leslie Walla had to put off taking her son, Caleb, to the doctor because of her high deductible.

OUT-OF-POCKET COSTS HAVE EVEN THE INSURED SKIPPING MEDICAL CARE

By Jenny Deam

On a Friday evening, the end of an exhausting week of juggling work and a sick child, Leslie Walla posted on Facebook pictures of the red spots spreading across her 3-year-old's body.

"Need some input," she wrote. "Son had strep last Friday. Still on amoxicillin. Developed a rash today. He says it's not itching. Thoughts?"

In truth, the 34-year-old single mother of two knew her son, Caleb, should go to the doctor. She also knew she couldn't afford it.

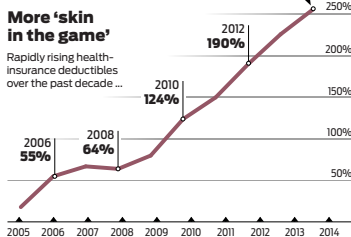
This is crazy, she wanted to scream. She has insurance, but it comes with a \$6,000 family deductible — \$2,000 for each of them — that she must pay before her policy typically pays a dime. Last year, she was uninsured. This year feels exactly the same.

Walla is one of the millions caught in the reshuffling of the who-pays-what calculation within the U.S. insurance industry, especially in employer-sponsored group plans used by the vast majority of Americans.

Twenty years ago, high-deductible plans were rare. Now they have taken root, shifting more and more out-of-pocket costs onto consumers.

This year, for the first time, a majority threshold was crossed as 51 percent of American workers have a deductible of at least \$1,000. That compares with just 10 percent a decade ago, according to a new survey by the Kaiser Family Foundation.

High-deductible continues on A20



... have forced Americans to pay more out of pocket for medical care.

	DEDUCTIBLES	COPAYMENTS	CO-INSURANCE
2004	24%	49%	26%
2005	25%	46%	29%
2006	29%	42%	29%
2007	30%	40%	30%
2008	29%	40%	31%
2009	30%	39%	31%
2010	35%	35%	31%
2011	37%	31%	32%
2012	41%	26%	34%
2013	44%	23%	34%
2014	47%	20%	32%

Source: HealthSystemTracker

Houston Chronicle

Murder surge a major concern

City beefs up patrols as killings continue to rise

By James Pinkerton

The growing spiral of Houston murders, up 15 percent so far this year after a staggering 25 percent hike in 2015, has forced Houston police to spend \$2 million in overtime to deploy scores of extra officers at hot spots across the city.

With a focus on gangs, narcotics and domestic violence, senior police officials have begun conducting weekly reviews to determine if the surge is reducing shootings and other major crimes.

The increasing violence was evident in Houston last week with Monday's mass shooting, in which police killed a local attorney after he unleashed a fusillade of gunfire that wounded six. It overshadowed two other shootings the same day, the fatal robbery of Juan Daniel Hernandez Rivas, 23, gunned down in the parking lot of his apartment, and a woman shot and killed by

Houston continues on A23

'Doubly invisible' in the U.S.

Thousands go unrecognized by any nation

By Olivia P. Tallet

Laura Vanessa Gutiérrez doesn't exist, at least on paper.

She is an undocumented immigrant from Mexico who was never issued a birth certificate. She's one of thousands, maybe tens of thousands, of U.S. residents not recognized by any nation. They are the so-called "doubly invisible."

"It's the worst thing that can happen to you," Gutiérrez says.

She can't get a driver's license. She can't open a bank account. If stopped by police, Gutiérrez couldn't even show that she's a Mexican national.

Because of security procedures, the stay-at-home mother can't even enter her children's school because

Invisible continues on A25

Index

Books G4 Directory A2 Lottery C13 Sports C1 Business B1 Editorials A35 Obituaries F5 TV G15 Crossword G15 Horoscope G12 Outlook A33 Weather A36



Houston's Source for Breaking News Go to Chron.com throughout the day for the latest stories, photos and video from Houston's No. 1 news site.



3\$5
for
Card Price
When You Buy 3 Or More
Single Price Up To \$2.99

50th ANNIVERSARY
Randalls
Proudly Serving Houston Families Since 1966
Prices effective:
Sunday, October 2 thru Tuesday, October 4, 2016

1.69
lb
Card Price

FROM THE COVER

High-deductible plans have skyrocketed

High-deductible from page A1

According to the Kaiser Family Foundation's 2016 annual health benefits survey released in September.

Not only has the number of plans with deductibles grown, so, too, has the amount patients must come up with before coverage kicks in. Today, the average deductible in individual plans that have one is \$1,478. In 2006, according to Kaiser, it was \$554.

In the past five years alone, deductibles have risen 10 times faster than inflation and nearly six times faster than paychecks.

As a result, even the insured are putting off medical care or skipping it altogether.

"I feel like crap," Walla posted that Friday night as she tried to decide. An after-hours nurse had called and said she could go to the emergency room, go to an urgent care clinic the next morning or tough it out through the weekend. As the hours passed, she couldn't quiet the numbers in her head:

Eighty-five, for the dollars she'd already spent on the first doctor's appointment; \$32, the price of two bottles of bubble-gum-flavored antibiotic, the second bought after she accidentally spilled the first; \$1,500 for an emergency room visit; \$200 for urgent care on a Saturday; \$100 for the amount in her checking account; seven for the days until she got paid again.

The next morning, when the rash turned to welts, she loaded Caleb in the car.

"Don't do anything fancy," she pleaded when told he needed a different antibiotic. The final cost was \$150 for the appointment and \$40 for the new medicine. She asked the office to bill her. She would face it another day.

■ ■ ■

Economists call it "skin in the game," a theory that if consumers treat health care like other shopping they will be more prudent.

Within the past decade, the insurance industry and employers began emphasizing high-deductible plans, in some cases steering employees toward them. For 2016, such plans are defined as having a deductible of at least \$1,300 for an individual or \$2,600 for a family.

They are touted as a hedge against rising premium prices, but the philosophical justification is that workers have been too insulated from skyrocketing medical and pharmaceutical prices.

"If a consumer doesn't have some kind of cost share, they might not think twice about what provider they see or how frequently," said Michael Williams, a Houston-based partner at Mercer, a global human resources consulting firm.

As the number of high-deductible plans skyrocketed, premiums did, in fact, stabilize. This year and last, the average premium price of employer-sponsored plans rose just 3 and 4 percent, respectively, the Kaiser study showed.

In 2005, about 1 million people in this country had high-deductible plans coupled with a pretax health-savings account. By early 2015, that number had shot up to 19 million, according to figures from America's Health Insurance Plans, the insurance industry national trade association.

One of the most striking things about this sea change is how little notice it captured.

"While much of the country has been focused on the superheated political debate over the Affordable Care Act, under the radar screen, there have been far more fundamental changes in insurance that affect many more people," said Drew Altman, president of the Kaiser Family Foundation, one of the nation's leading health-policy research think tanks.

This year, about 155 million people got health coverage from an employer; about 11 million got it through the ACA exchanges.

The trajectory of the cost-sharing load was charted in another Kaiser analysis this year. Between 2004 and 2014, the amount of patients' contribution to their health care rose 77 percent, while the average payment by insurers rose 58 percent.

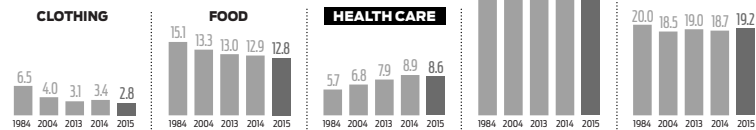
High-deductible plans are part of an array of choices people now have, said Clare Krusing, press secretary for the insurance industry trade association. Consumers, she said, can better "prioritize monthly health care expenses."

It does work for some. Oth-

Rebalancing their budgets

Health care eats up a 50 percent bigger portion of a middle-income family budget than it did 30 years ago.

PERCENT OF TOTAL INCOME SPENT, ADJUSTED FOR INFLATION



Source: The Brookings Institution's Hamilton Project



Elizabeth Conley photos / Houston Chronicle

Lezie Walla helps her daughter, Bailey, 7, with her homework. The single mother had to stop therapy for her daughter's attention deficit hyperactivity disorder because the sessions were subject to her high deductible.



Juli Thomas Mathew, a lawyer, goes over paperwork in her Sugar Land home. Mathew works for credit card companies on debt collection lawsuits and often sees people even with insurance overextend themselves financially because of health care costs.



» Read the previous stories in the series at HoustonChronicle.com/theuncovered

ers, particularly those with low to moderate incomes, don't see it that way.

"If you told the average person that America was experiencing historically slow growth in health-insurance prices, they would look at you like you are out of your mind," Altman said.

■ ■ ■

Lezie Walla understands insurance better than most. Her job is to negotiate with carriers to secure coverage for patients at an inpatient substance-abuse treatment center. She has been uninsured herself, on the ACA exchange, on Medicaid and covered by employer-sponsored plans. She earns a middle-class salary and rents a house in a tidy north-west Houston subdivision. She also lives paycheck to paycheck.

So when faced with the choice of a high-deductible plan costing \$330 each month or one with a lower deductible that was about \$200 more, there was no contest.

Weeks later, at the pharmacy to refill a prescription for her 7-year-old daughter's attention deficit hyperactivity disorder, she was surprised it was not covered until the deductible was met. The price was \$300 a month. Walla walked out empty-handed. She said in her car and wept.

Her daughter's therapy sessions, \$150 per week, also were subject to the deductible. She stopped them even though her daughter, Bailey, was mak-

ing progress. Walla eventually worked out a hardship arrangement with Pfizer, the pharmaceutical company, to get her daughter's medication for free.

When Bailey's doctor suggested a medication change, Walla said no, because she did not want to lose her arrangement with Pfizer.

"We have given up a lot of medication that the doctor wants her to try," she said.

"If you told the average person that America was experiencing historically slow growth in health-insurance prices, they would look at you like you are out of your mind."

Drew Altman, president, Kaiser Family Foundation

That kind of talk troubles Mitch Rothschild, executive chairman and founder of Vitals, a New Jersey-based online consumer health care support site. It gives voice to a survey his company commissioned in July asking 500 Texans about their health care habits.

Nearly 1 in 3 with insurance said they had delayed or skipped a medical treatment or doctor visit in the past two years. Of those with high-deductible plans, the number neared 1 in 2.

"My reaction was, wow, we're in a lot of trouble in this country," he said.

His study also found that more than a third of people, both with and without insurance, admitted significant financial problems because of medical bills. That rose to 42 percent among those with high-deductible plans.

"This is a very blunt tool for controlling costs," said Sara Collins, an economist and vice president for health care coverage and access at the Commonwealth Fund, a health public-policy research foundation.

Other research has found people now avoid preventive care even though much of it is excluded from deductibles under the Affordable Care Act.

The amount of money middle-income Americans spend on health care has risen from 5.7 percent in 1984 to 8.6 percent in 2015, as household expenses for things such as food and clothing have gone down, according to data from the Hamilton Project, an economic policy initiative at the Brookings Institution. That suggests people are squeezing money out of other budget categories to pay for health care.

"There is this constant shuffling across budgets for basic needs," said economist Diane Whitmore Schanzenbach, a senior fellow at the Brookings Institution and director of the Hamilton Project.

■ ■ ■

Juli Thomas Mathew sees it every day. An attorney for ma-

The series so far

Part 1: One family's struggle for benefits

Part 2: A hospital's fight gets ugly

Part 3: Layoffs expose hole in safety net

Part 4: Insurers kill broker fees

Part 5: The crisis in Cuero

Today: Even insured skipping care

for credit-card companies handling debt collection lawsuits, Mathew's dining table at her home in Sugar Land is stacked with legal files. The pain of America's debt shows up in the letters from those who have fallen behind.

My mother has Alzheimer's...

My wife has been hospitalized multiple times...

Very sorry my mother ran up this credit card debt...

Most delinquencies can be traced, directly or indirectly, to medical bills, and the majority of people involved have insurance. Mathew remembers a lawyer who spent nearly every penny he had to save his wife. He ran up six-figure balances on credit cards before she died of breast cancer. That case was eventually settled.

"I don't think people have any idea that it could be you tomorrow," she said.

Or her.

Mathew's own insurance, through her job, has a \$4,000 deductible. About to deliver her third child, she recently suffered whiplash in a car accident but hesitated going to the doctor because she feared the out-of-pocket cost. She still owes money from the delivery of her last baby, 15 months ago.

Krusing, of the insurance trade association, said the industry doesn't gain when customers use their policies less, noting that deferred care can cost more if a condition worsens.

"There is no incentive for any health plan in having people delay necessary medical care," she said.

Still, Collins would like to see insurers and the public sector rethink the issue.

"Benefits need to be redesigned to encourage people to go to the doctor when they need to," she said.

Back at Walla's house, the medical bills pile up. She figures she owes about \$1,500 so far this year since she switched to the high-deductible plan. She cuts costs as she can but refuses to let her children see her stress.

"They deserve to be kids," she said. "They don't need to worry about grown-up things."

jenny.deam@chron.com
twitter.com/jenny_deam



SPORTS

On to the final

The Woodlands pulls off a shocker, beating heavy favorite Allen to advance to the Class 6A Division I final, while all four other area teams lose their semifinal matchups.

Section C

THIS WEEK'S
COUPON SAVINGS

More than
\$300
in coupons inside today
Total savings this year:
Over \$13,400

HOUSTON CHRONICLE

Sunday, December 11, 2016 | HoustonChronicle.com and Chron.com | Vol. 116, No. 52 | \$4.00 **

Chance of storms: High 70, Low 55

DENIED

Fourth in a series

Cap hits English learners hardest

Immigrants less able to overcome special ed barriers

By Brian M. Rosenthal

VICTORIA — Refugees, immigrants and other kids who do not speak English are entitled to the same special education services as native speakers. But in this Southeast Texas city, they seldom get them.

Just 39 of the nearly 1,000 English Language Learners here receive services like tutoring, counseling and speech therapy, 70 percent fewer per capita than a decade ago.

Many more need help, but usually, teachers say, their pleas are ignored.

"It's almost impossible to get my kids into special ed," said Arlene De Los Santos of Patti Welder Middle School. "They have to have very, very severe needs for the school to even consider it."

The situation in Victoria exemplifies a new reality playing out across Texas.

From Beaumont to El Paso, school districts facing pressure to lower their special education numbers have decided to do it by shutting out thousands of English Language Learners, the Houston Chronicle has found.

Districts have used a range of tactics, from refusing to conduct eligibility evaluations in other languages or accept medical records from other countries to blaming language barriers for problems caused by disabilities, according to data and interviews with dozens of current and former educators. Some have eliminated special education altogether from schools for international students.

Denied continues on A30

UnCovered

Last in a series

Texas' poor on outside looking in



Elizabeth Conley photos / Houston Chronicle

Because she lives on the Texas side of Texarkana, Cheryl Nunn, a nurse, remains uninsured.

WHILE ARKANSAS SEES ITS UNINSURED RATE PLUNGE, LONE STAR STATE STILL TOPS NATION

By Jenny Dean

TEXARKANA — An invisible boundary runs down the center lane of State Line Avenue. A flick of a turn signal one way is Texas, the other way is Arkansas.

That turn matters these days. Living on one side of the street rather than the other can mean the difference between getting better or staying sick.

Erika Castaneda lives on the Arkansas side, just outside Texarkana, in a small house in the country with a faded hobby horse out front. Some days, the nerve damage in her legs from diabetes was so bad she couldn't stand. But a doctor over at the clinic cost \$75, so she put off going. Like so many around her, she was uninsured.



The U.S. post office and district courthouses in downtown Texarkana straddle the state line of Texas and Arkansas, making it the only federal building to be in two states at once.

Until suddenly she wasn't anymore, becoming part of a grand experiment in the time of Obamacare.

In her red state of Arkansas, where the Affordable Care Act is often cursed, lawmakers found three years ago a politically palatable way to use an underpinning of the law and expand Medicaid to cover hundreds of thousands of people without actually calling it that.

Soon, the state's uninsured rate began to plunge — faster and more dramatically than any other in the nation except Kentucky, which it tied.

In 2013, the Arkansas uninsured rate for adults was 22.5 percent. By 2015 it was 9.6 percent, according to a Gallup-Healthways Well-Being Index.

Insurance continues on A24

Trump likely to tap chief of Exxon

Deal-making skills could be tested as secretary of state

By David E. Sanger, Maggie Haberman and Clifford Krauss
NEW YORK TIMES

WASHINGTON — Rex Tillerson, chief executive of Exxon Mobil, whose extensive deal-making for the energy giant has plunged him into global politics from Yemen to Russia, is expected to be offered the secretary of state post this week-end by President-elect Donald Trump, according to two people close to Trump's transition team.



Tillerson

Tillerson, 64, has spent the past 41 years at Exxon, where he began as a production engineer and went on to strike deals around the world for a company that explores, buys and sells oil and gas in some of the globe's most troubled corners.

Those travels have en-

Tillerson continues on A15

ANALYSIS

Tillerson brings oil, global ties to position

By James Osborne and David Hunn

WASHINGTON — The Texas oil industry is poised to put one of its own into the highest echelon of U.S. government with Exxon Mobil CEO Rex Tillerson rising to the top of President-elect Donald Trump's list to be next secretary of state.

The ascension of the 64-year-old Tillerson comes at a critical time for the oil and gas sector, as it is beleaguered by calls from governments worldwide to radically cut carbon emissions to combat climate change. It also puts Tillerson in one of the most powerful positions on the world stage, giving the industry a visibility it has not enjoyed since Dick Cheney, the former Halliburton CEO, served as vice president to former President George

Texas continues on A15

Homeless plea: 'I'm not leaving town without my dog'

By Maggie Gordon

Patrick Gillespie drew the sign carefully. It was simple: A piece of flimsy cardboard with thick, black-marked letters spelling out his plea:

Dog in Pound

Need Help

He found a tree — one that would block him from both the oppressive September heat and the view of any Huntsville police officers rolling through the Wal-Mart parking lot

— and began flying the sign beneath its branches.

Sign-flying is a lonely business at the best of times. Most people don't stop for a homeless guy. They look away. And without his dog bouncing around, Gillespie found it soul crushing.

But his message caught Wilma Price's eye as she cut through the Wal-Mart lot. She'd just picked up supplies for the animal rescue she runs. She stopped her truck.

Dog continues on A13

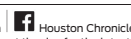
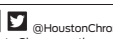
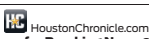


Mark Mulligan / Houston Chronicle

Patrick Gillespie is working on getting an ID so he can find a permanent place to live with his dog Franklin. They were reunited through the kindness of a stranger.

Index

Books G4 Directory A2 Lottery C16 Sports C1
Business B1 Editorials A35 Obituaries F4 TV G13
Crossword G13 Horoscope G14 Outlook A33 Weather B8



Houston's Source for Breaking News Go to Chron.com throughout the day for the latest stories, photos and video from Houston's No. 1 news site.

Frozen Turkeys
10 to 24 lbs.
Limit 2 please
49¢
Card Price

Randalls
Proudly Serving Houston Families Since 1966

Prices effective:
Sunday, December 11 thru Tuesday, December 13, 2016

Coca-Cola, Dr Pepper or Pepsi
6 pack, 5 lit. or
6 to 8 pack, 7.5 oz. slim cans
Soleil or refreshe® Sodas
12 pack, 12 oz. cans
Selected varieties
Single Price Up To \$2.99
\$5.10
Card Price
for mix or match
When You Buy 5 Or More

UNCOVERED

Insurance called 'key to the door' for poor

Insurance from page A1

People in Arkansas began to go to the doctor more because they could.

Cheryl Nunn lives up the road on the Texas side, a place where lawmakers won't consider expanding Medicaid.

As a nurse, she knew that taking the nine steps from bedroom to kitchen in her narrow trailer should not leave her collapsed against a table struggling to breathe. But she would pull herself up and head for the door anyway.

"I am the only breadwinner," she thought. "If I don't work, we don't eat."

Her husband, Jimmy, 56, is disabled after a heart attack. Without insurance, the medical bills were already stacked tall. She promised herself a checkup soon at the clinic a few miles away in Texarkana, by coincidence the same one Castaneda uses.

Then came the day in July when her breath turned ragged and her calf swelled so much she could not roll up her pant leg. Her daughter drove her to the emergency room, where tests found a potentially fatal blood clot had traveled to her lungs. She had undiagnosed heart disease, too. The doctor worried for her life. She worried about the money. She checked herself out the next day.

A month later, the 51-year-old was back, this time by ambulance after blacking out at work.

"It was scary for me," remembered Dr. James Miller, the second-year resident who treated her. "I can only imagine how scary it was for her."

This is what being uninsured can look like in Texas. The latest estimate is that 4.6 million people, the most in the nation, dwell on that dangerous cliff, put there, in part, by politics, kept there by the whim of geography.

■■■

Insurance alone does not guar-

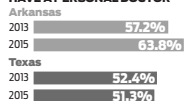
Adjacent states, divergent outcomes

While Texas steadfastly declined to broaden Medicaid coverage under the Affordable Care Act, officials in neighboring Arkansas negotiated with federal officials to customize a Medicaid expansion without having to call it that. New research reveals stark differences for low-income adults in each state since Arkansas put this so-called "private option" into action.

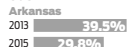
UNINSURED



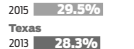
HAVE A PERSONAL DOCTOR



COST-RELATED DELAY IN CARE



SKIPPED MEDICATION DUE TO COST



EMERGENCY SETTING IS USUAL LOCATION OF CARE



CHECKUP IN THE PAST YEAR



Source: Harvard University T.H. Chan School of Public Health, published in the American Medical Association's JAMA Internal Medicine

Houston Chronicle



Elizabeth Conley photos / Houston Chronicle

Faced with mounting medical bills, Cheryl Nunn, who lives just outside Texarkana, Ark., is considering filing for bankruptcy.

antee good health. But often, as Diane Rowland, executive vice president for the national Kaiser Family Foundation, explained, "it is the key to the door."

Such a door opened in Arkansas.

Once home to some of the highest rates of stroke, heart disease and lung problems in the country, Arkansas appears to be getting healthier. The poor go to the emergency room less. They manage chronic conditions better.

The exact opposite is happening in Texas, a recent Harvard University public health study reveals. For instance, three years ago, about 8 percent of poor Texans used the emergency room as their doctor. In 2014, it was 10 percent. Last year, it was 11.3 percent.

"The ER is the last place in the world you want to send someone who doesn't have an emergency. It's expensive; there is no continuity of care, no follow-up," said Dr. Joe Thompson, director of the nonpartisan Arkansas Center for Health Improvements, a Little Rock-based health policy center.

The Arkansas turnaround grew out of the 2012 U.S. Supreme Court ruling on the ACA that said each state could decide whether to expand Medicaid. Texas said no; Arkansas said maybe.

With a Democrat in the governor's mansion and a Republican majority in the Legislature, a customized version of Medicaid the expansion was negotiated with federal authorities to develop what they called the "Private Option."

Arkansas took the money earmarked to expand Medicaid and instead bought private insurance for the poor off the ACA-mandated exchange. The controversial measure found bipartisan support because it touted a free-market sensibility to soothe objections against expanding entitlements.

"Regardless of what you think of the Affordable Care Act, there was a duty to pull together to do what was responsible, to do what was in the best interest of their constituents," said Dr. Dan Rahn, chancellor at the University of Arkansas for Medical Sciences, which operates a network of clinics for low-income people like the one where Nunn and Castaneda go.

Today, more than 300,000 in a state of just under 3 million get their insurance under the law. The path has never been smooth politically, as conservatives continue to be skeptical of promises it would not explode the state budget. Still, the law survived a challenge earlier this year but retooled.

The new version, backed by Republican Gov. Asa Hutchinson and approved last week by U.S. Health and Human Secretary Sylvia Burwell, is called "Arkansas Works." It encourages the unemployed to look for work and some enrollees to contribute toward premiums so they will be more involved in their own health.



A water tower proclaims Texarkana is "Twice as Nice" just off of Interstate 30. On the Arkansas side, poor residents have better insurance options than those across the state line in Texas.

The election of Donald Trump — who carried both Texas and Arkansas handily — throws into question what happens in Arkansas and the 30 other states that expanded Medicaid to millions of Americans.

The president-elect and his administration picks have signaled a preference for block grants to states for access to health care for the poor instead of the existing federal funding system.

current way could be among the first casualties in the march to dismantle the Affordable Care Act.

A block-grant system typically returns more power to individual states and allows them to decide criteria for low-income programs.

But "it could perpetuate the disparities," Rowland cautioned. There already are different levels of federal funding to states, depending on whether they expanded Medicaid. If that continued unchanged, states like Texas could start out behind, Rowland said. States also might set widely different rules on coverage.

In Arkansas, Hutchinson's

press office said the governor is hopeful the Trump administration will allow "Arkansas Works" to stand.

"This is long ball," said Rahn, a proponent who urges patience. "Everyone deserves the opportunity for a healthy life. You can't get there until everyone is under the tent."

■■■

When the little white card arrived in the mail, Erika Castaneda had no idea what it was. It said Blue Cross and Blue Shield of Arkansas. She almost threw it away.

She had been uninsured so long, she didn't know what being covered looked like.

The 35-year-old works in collections. Her husband has a landscaping business. Together, they bring in about \$3,000 a month but too often skate near the edge of poverty.

She always made sure her four kids had insurance through ARKids First, the state's program for low-income children, even when she and her husband were without. Diabetes runs in her family. She has it; her sister does, too. Complications from the disease claimed her mother at age 62.

Castaneda brushes at the tears that gather, a mix of sadness and

fear that she was on the same path.

"When are you going to come in for you?" Dr. Cheryl Verma, a family doctor at the University of Arkansas for Medical Services clinic, asked when Castaneda used to bring in her mother and father for checkups.

"I'll come in when I have the money," Castaneda promised and then disappeared.

In these parts, 1 in 5 people live in poverty. They go to the emergency room when things get bad and walk out with a week's worth of medicine. After that, they begin to ration. Or borrow pills from friends. Or just do without.

In fall 2014, Castaneda was renewing her kids' enrollment and asked if there was anything for her. It was a joke. She had applied for Arkansas Medicaid before but was always turned down.

The woman behind the counter said there was something new. Yeah, right, Castaneda thought, filling out the paperwork anyway.

Then came the call that she was approved, followed by the card. She didn't believe any of it up to the moment she handed over the card at the clinic.

"That will be \$8," the receptionist said as she collected the co-payment.

"Dang, this feels good," Castaneda thought, tucking away the rest of the crumpled bills she had brought just in case.

Back at Castaneda's house on a recent night, the kids are sprawled across couches, watching sports with the sound turned down, doing homework, shoveling in a dinner of noodles, beans and eggs with green salsa.

"I eat a lot of salads," Castaneda said, watching. She is trying to eat healthier. She plays with her kids more. She takes her seven prescriptions a day without fail.

And sometimes, at the end of the day, she puts on music and dances around the house.

■■■



Erika Castaneda always made sure that her children, including Daniel, 5, had insurance — and now she and her husband do, too.

Looking back, Texas state Rep. John Zerwas, a doctor and five-term Republican from Rich-

Uncovered continues on A25

UNCOVERED

Uncovered from page A24

mond, wonders if he was being naïve.

In spring 2013, about the time Arkansas lawmakers were forging the Private Option, Zerwas came up with HB 3791, known as the "Texas Solution."

He said he thought he made clear he did not favor a traditional Medicaid expansion and was no fan of the ACA. He hoped to give then-Gov. Rick Perry and Texas Health and Human Service Commission leaders some direction, or maybe permission, to consider alternatives. One possibility was negotiation with the federal government to use tax revenue from premiums to tailor a program suited for Texans.

More than the humanitarian goal of helping the poor, he thought he could win over opponents with a fiscal argument. Using the federal money would help local hospital districts staggering under the weight of unreimbursed care while putting a lid on property taxes that were covering the shortfalls.

"I actually felt pretty confident about it," he said recently.

But even a whisper of expansion was, and continues to be, radioactive.

Perry and other opponents said at the time that they would consider only a no-strings-attached block grant to fund coverage for the poor. Arlene Wolgemuth, the now retired executive director of the conservative Texas Public Policy Foundation, derided Zerwas' effort back then, calling it "too close to Medicaid expansion."

She said his bill still would require Texas to meet federal Medicaid requirements, which could increase the state's costs and deter some individuals from receiving private coverage through the health insurance exchange.

The bill died before reaching the floor.

"It was an issue that needed to be debated and let the votes fall where they may," Zerwas said.

Any talk of resurrecting it is usually quickly silenced. Moderate Republicans have feared being targeted by conservative forces in primary challenges.

"I've pretty much come to real-



With her whole family now insured, Erika Castaneda sometimes puts on music and dances around the house at the end of the day.

ize it's a lost cause," Zerwas said.

■ ■ ■

Cheryl Nunn spreads the medical bills across her table, each one a mile marker in a run of terrible luck.

There is \$12,985 for the emergency room care when her leg swelled. Then came \$7,000 for the first hospital she was taken to after blacking out. The ambulance ride cost \$900 followed by \$1,000 more for a second ambulance to take her to a bigger hospital in Texarkana. Her four-day stay there cost \$19,103.

Then there are her husband's bills: \$50,726 for the hospital and another \$49,000 for the pacemaker after his heart attack in December 2014. There is another \$23,000 for an air ambulance after he was severely burned in an accident changing a fuel pump in a truck.

The total is close to \$165,000.

She makes \$35,000 a year. Her husband gets \$4,104 a year in disability.

Last month, she met with a lawyer to file for bankruptcy.

"That's not the way I do things," she said. "I hate it, but what choice do I have?"

Last year, she had insurance for a couple of months when she worked as a licensed vocational nurse at a long-term care facility for \$19 per hour. She quit to take a job as a home-health nurse that paid \$22 an hour, plus mileage. There was no insurance until she accrued enough hours. When she went to the hospital the first time, she was a few hours short.

When she left the hospital, her doctor said she needed a long list of medications, none of which she could afford. He spent the better part of an afternoon calling pharmacies, pleading for deals.

"If she had health insurance, her health, her whole life would be different," Miller said.

Nunn now works at another long-term care facility for \$19 per hour. This month, she is eligible for insurance through her new job but will skip it because it takes \$600 from her paycheck each month.

She considered a plan through the ACA, but even with the subsidy to lower costs, it would be \$400 a month. She also thought about applying for disability, but the process takes too long.

"I can't just stop and sit around and wait for that," she said.

She voted for Trump because she hopes he will fix the problem. She heard about what they did over in Arkansas and wishes Texas would do something like it.

"There's just no in-between in Texas," she said. "It's black or white. Apparently in Arkansas, there is gray. I guess I'm just stuck."

jenny.deam@chron.com
twitter/jenny_deam

UnCovered

THE SERIES

Part 1:
One family's struggle for benefits

Part 2:
A hospital's fight gets ugly

Part 3:
Layoffs expose hole in safety net

Part 4:
Insurers kill broker fees

Part 5:
The crisis in Cuero

Part 6:
Even insured skipping care

Today:
Neighboring states go different routes



On the web:
houstonchronicle.com/
theuncovered

RESEARCH PARTICIPANTS NEEDED

If you are currently treated for type 2 diabetes with the injectable medicine Trulicity (dulaglutide) or Victoza (liraglutide), you may be eligible to participate in this study.

We are looking for people to take part in a 45 minute study visit (via telephone) about their diabetes injectable medication. The study does not involve treatments. We are interested in your opinions. Study visits will be held over the telephone.

Participants will receive \$60 for their time.

Please **CALL** Evidera at 1-800-807-6218 (free phone) and leave a message with your name and telephone number **or** send an **E-MAIL** with your name and telephone number to

Diabetes.Study@evidera.com



Ref # 19580

Evidence. Value. Insight.