

**Testimony of Jean Yang, Executive Director of the Massachusetts  
Health Connector  
to the Oversight and Government Reform Committee Subcommittee  
on Economic Growth, Job Creation and Regulation Affairs, and the  
Subcommittee on Energy Policy, Health Care and Entitlements  
April 3, 2014**

Chairman Jordan, Chairman Lankford, Ranking Member Cartwright,  
Ranking Member Speier and members of the Subcommittees.

Good morning. Thank you for the opportunity to testify this morning about our experience implementing the Affordable Care Act, including our work to enable our families and small businesses to secure coverage through the Commonwealth's Health Insurance Exchange.

As you know, Massachusetts is very familiar with the framework of the ACA. In 2006, former Governor Mitt Romney worked collaboratively with our state Legislature to fashion an approach to expanding health coverage that drew ideas from both ends of the political spectrum. It required the Commonwealth's adults to have coverage, while recognizing that lower- and some moderate-income families needed help to meet their obligation. It relied on private health insurance carriers to provide coverage, while bolstering competition and transparency through the creation of a state Health Insurance Exchange – the Massachusetts Health Connector. And it ended the practice of “free-riders,” individuals who went without insurance or with extremely low levels of insurance, with the costs of their more significant care borne by the insured.

Once he took office in 2007, Governor Patrick worked to bring this statutory framework to life, in close collaboration with our state's Legislature, our health care providers, our business and labor leaders, our insurers, our consumer advocates and countless others.

We are extraordinarily proud of the results we have achieved together over the past eight years. Virtually all of the Commonwealth's residents are now insured, 97 percent. 91 percent of our residents report having access to a primary care physician, and 88 percent to having seen their physician in the previous 12 months. Health coverage has meant better access to needed

medications and greater financial security in the event one becomes sick. On a whole host of measures, we are healthier.

One of the most important lessons we learned in the years since 2007 was that health care reform takes time. We refined our plan as we moved forward and, in collaboration with our partners, including the Bush and Obama administrations, we refined the law to strengthen it as we learned new lessons. It has not always been easy, but we kept our eye on the goal of getting people adequately covered. As Governor Patrick has remarked, we learned early that health care is not a website.

Far from eroding private coverage or weakening the market, *more* employers offer coverage to their employees today than before our reform went into effect. And health reform has been affordable in Massachusetts: our state budgets have remained balanced, and our bond ratings have never been higher.

Alongside coverage expansion, we're aggressively tackling the broader problem of health care cost escalation. This challenge predates our health care reform efforts and is, as you know, a national one. Enhanced competition and greater oversight of premiums have already helped reduce base premium growth for small employers and individuals from 16% four years ago to under 3% today. Through innovative procurement strategies, we've held annual premium increases under 1% on average for our Commonwealth Care program. We've enacted and are implementing a comprehensive health care cost containment law designed to solidify and bolster this progress by encouraging smarter, more coordinated care with a heavy focus on prevention.

We support the Affordable Care Act because it embodies the principles of our Massachusetts reforms: shared responsibility for expanding coverage; a balance between private and public solutions; and the fundamental belief that health is a public good. We know that it is already helping to put affordable coverage and care in the hands of Americans across the country and that it has given to millions of our fellow citizens the security of knowing that they won't go bankrupt because they got sick. Because of our experience in Massachusetts, we are confident that it will continue to improve peoples' lives.

We also embrace the Affordable Care Act because it gives Massachusetts new tools to sustain and expand on our success. It opens the door to coverage for people facing real economic challenges who did not previously qualify for subsidized coverage in Massachusetts – for example, people who work hard but do not earn enough money to afford their employer’s health insurance, and people who were just above our prior income ceiling for subsidized insurance but hardly economically secure.

The ACA also focuses additional resources on public outreach to explain the importance of having health insurance – and on establishing state Health Insurance Exchanges to gain coverage. It offers new tax credits to small employers for covering their employees, and gives young adults more time to stay on their parents’ policies. It makes prescription drugs more affordable for seniors and preventive care more affordable for everyone. And it invests in innovation in the delivery of health care, nurturing the Massachusetts’ health care system’s own efforts to lower costs by providing *better, more coordinated* care.

In Massachusetts, over 200,000 more people have signed up for subsidized coverage. More than 26,000 people have purchased unsubsidized, ACA-compliant plans through our Health Connector. The Health Connector is also offering dental policies for the first time, and interest has been strong with over 2,300 plans purchased to date by individual shoppers.

Even so, while implementing the ACA, we have experienced website challenges. These are mainly due to failures of our system integrator. But with our new team in place, we are on a path to go-live with a functional, reliable Exchange website for the next open enrollment period.

Challenges with our system integrator and project management shortcomings impeded our progress in achieving our full vision for the website by October 1 of last year, so we decided to deploy only parts of the new system on that date. With these limits on our system – and with many people encountering errors and wait times even with the parts that were deployed – we have developed alternative pathways to support enrollment. These mechanisms have enabled us to protect and expand coverage, with strong cooperation from our health insurers, providers and consumer advocates. Many residents of the Commonwealth have experienced difficulties with some of these processes – and we fully share their

frustration. But we have not allowed website problems to prevent us from meeting the ultimate goal of the ACA: getting people covered so they can enjoy health and economic security.

Though the website challenges are mainly the result of an underperforming IT vendor, we are holding ourselves accountable for fixing them. And we are making progress. We have stabilized our system, eliminated the backlog of paper applications, and substantially reduced call center wait times. We continue to maintain strong data security protocols that meet federal standards and have kept personal information of applicants safe from data breach. And we have a detailed plan to open up new parts of the website only when we know they are ready for users. In the meantime, through the creativity and flexibility of our team, people are getting covered.

We will see this through, as we always have, because of our commitment to ensuring quality, affordable health care for the people of Massachusetts. This spirit – pervasive in the Commonwealth – kept us moving forward when it seemed impossible to break through a longstanding stalemate on how to expand coverage, and from there when we encountered occasional challenges and setbacks in implementing our state reforms. It keeps us moving forward today as we see the early promise of the Affordable Care Act in Massachusetts and strive to realize its full potential for improving care and improving lives.

Thank you for your time, and I look forward to your questions.

Jean Yang, *Executive Director*  
*Commonwealth Health Insurance Connector Authority*

Jean Yang is the Executive Director of the Commonwealth Health Insurance Connector Authority (Health Connector). In this position, she oversees the programs, policies, operations and staff of the Commonwealth's public health insurance Exchange - the linchpin of the state's historic health care reform law of 2006 and the model for health insurance Exchanges nationwide under the landmark federal Patient Protection and Affordable Care Act.

Prior to being appointed Executive Director in January 2013, Yang served as the Health Connector's Chief Financial Officer, where she oversaw all aspects of financial management and control of the organization. In particular, Yang led the successful procurement of the subsidized Commonwealth Care program in Fiscal year 2012 and 2013 that led to a premium rate decrease of 12% over two years. In addition, she also played a key leadership role in the Health Connector's implementation of the Patient Protection and Affordable Care Act, with specific responsibilities in the Plan Management and Financial Management functions associated with an ACA-compliant Exchange.

Before joining the Health Connector, Jean was Director of Contracting Strategy & Analytics at Tufts Health Plan in Massachusetts, where she worked extensively on health care reimbursement issues and payer-provider collaboration initiatives. Jean started her career as a management consultant with McKinsey & Company and subsequently Deloitte Consulting, where she served a wide variety of clients in the health care industry. Jean graduated from Peking University of China and earned her M.B.A. from Harvard Business School.