

Written Testimony of Professor Jonathan Gruber before the Committee on
Oversight and Government Reform, U.S. House of Representatives, December 9, 2014

Chairman Issa, Ranking Member Cummings, and Distinguished Members of the Committee, thank you for the opportunity to testify voluntarily today. I am pleased to be able to address some statements I have made regarding the Patient Protection and Affordable Care Act and the reactions to and interpretations of those statements.

I am a Professor of Economics at MIT. I am not a political advisor nor a politician. Over the past decade I have used a complex economic microsimulation model to help a number of states and the federal government assess the impact that various legislative options for health care reform might have on the state and federal health care systems, government budgets, and overall economies. I have had the privilege of working for both Democratic and Republican administrations on health care reform efforts. For example, I worked extensively with Governor Romney's Administration and the Massachusetts legislature to model the impact of Governor Romney's landmark health reform legislation. I later served as a technical consultant to the U.S. Department of Health and Human Services and provided similar support to both the Administration and Congress through economic microsimulation modeling of the Affordable Care Act.

I did not draft Governor Romney's health care plan, and I was not the "architect" of President Obama's health care plan. I ran microsimulation models to help those in the state and federal executive and legislative branches better assess the likely outcomes of various possible policy choices.

After the passage of the ACA, I made a series of speeches around the nation endeavoring to explain the law's implications for the U.S. health care system from the perspective of a trained economist. Many of these speeches were to technical audiences at economic and academic conferences.

Over the past weeks a number of videos have emerged from these appearances. In excerpts of these videos I am shown making a series of glib, thoughtless, and sometimes downright insulting comments. I apologized for the first of these videos earlier. But the ongoing attention paid to these videos has made me realize that a fuller accounting is necessary.

I would like to begin by apologizing sincerely for the offending comments that I made. In some cases I made uninformed and glib comments about the political process behind health care reform. I am not an expert on politics and my tone implied that I was, which is wrong. In other cases I simply made insulting and mean comments that are totally uncalled for in any situation. I sincerely apologize both for conjecturing with a tone of expertise and for doing so in such a disparaging fashion. It is never appropriate to try to

make oneself seem more important or smarter by demeaning others. I know better. I knew better. I am embarrassed, and I am sorry.

In addition to apologizing for my unacceptable remarks, I would like to clarify some misconceptions about the content and context of my comments. Let me be very clear: I do not think that the Affordable Care Act was passed in a non-transparent fashion. The issues I raised in my comments, such as redistribution of risk through insurance market reform and the structure of the Cadillac tax, were roundly debated throughout 2009 and early 2010 before the law was passed. Reasonable people can disagree about the merits of these policies, but it is completely clear that these issues were debated thoroughly during the drafting and passage of the ACA.

I also would like to clarify some misperceptions about my January 2012 remarks concerning the availability of tax credits in states that did not set up their own health insurance exchanges. The portion of these remarks that has received so much attention lately omits a critical component of the context in which I was speaking. The point I believe I was making was about the possibility that the federal government, for whatever reason, might not create a federal exchange. If that were to occur, and only in that context, then the only way that states could guarantee that their citizens would receive tax credits would be to set up their own exchanges. I have a long-standing and well-documented belief that health care reform legislation in general, and the ACA in particular, must include mechanisms for residents in all states to obtain tax credits. Indeed, my microsimulation model for the ACA expressly modeled for the citizens of all states to be eligible for tax credits, whether served directly by a state exchange or by a federal exchange.

I am not an elected official, nor am I a political advisor. I am an economist who ran a complex microsimulation model to help Democratic and Republican politicians and their advisors understand the impact that their policies would have on the health care system. The recent response to my comments at academic and other conferences exceeds both their relevance and my role in federal health care reform.

I behaved badly, and I will have to live with that, but my own inexcusable arrogance is not a flaw in the Affordable Care Act. The ACA is a milestone accomplishment for our nation that already has provided millions of Americans with health insurance. Our country is embarking on an exciting second open enrollment period that will provide new opportunities for these individuals, and millions more, to choose the insurance plan that works best for them. While I will continue to reflect on the causes of my own insensitivity, I hope that our country can move past the distraction of my misguided comments and focus on the enormous opportunities this law provides.