



# TOMAS PHILIPSON

ACTING CHAIRMAN OF THE WHITE HOUSE COUNCIL OF ECONOMIC ADVISORS

NationalJournal

## Life in Brief

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**Born:** 1962

**Hometown:** Uppsala, Sweden

**Current Residence:** Chicago, IL

### Education:

- PhD, Economics, Wharton School at the University of Pennsylvania
- M.A., Economics, Wharton School at the University of Pennsylvania
- M.A., Mathematics, Claremont Graduate School
- B.S., Mathematics, Uppsala University

### Work History:

- Acting Chair, White House Council of Economic Advisors, June 2019- present
- Member, White House Council of Economic Advisers, 2017-2019
- Senior Expert, Compass Lexicon, 2016
- Director, Health Economics Program, Becker Friedman Institute for Economics (UChicago), 2015
- Senior Health Care Advisor, Presidential Campaign of Sen. John McCain (R-AZ)
- Founder, Precision Health Economics, 2005-2015
- Senior Economic Advisor, Centers for Medicare and Medicaid Services, 2004
- Senior Economic Advisor, Commissioner of the Food and Drug Administration, 2004
- Professor of Public Policy, University of Chicago, 1998- present
- Visiting Faculty, Yale University, 1994-1995
- Faculty, University of Chicago, 1990-1998

### Past and Present Board and Advisory Roles

- Manhattan Institute
- USC Schaeffer Center for Health Policy & Economics
- Eli Lilly
- Round Table Group

## Quick Summary

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**Distinguished economics researcher with drug industry ties has health policy experience in government, academia, and the private sector; market-centric philosophy aligns with pro-business White House**

- Swedish-born health economist reiterates Administration messages around deregulation and tax cuts as Acting Chair of the WH Council of Economic Advisors (CEA)
- UChicago professor embraces prestigious faculty's traditional preference for markets over government intervention
- Views the provision of health care through a strictly economic lens; encourages market-based system that rewards innovation through high profits
- Consulted for high-profile health care industry players, including Bayer AG and McKesson
- Founded Precision Health Economics, which has conducted research justifying high cost of pharmaceuticals based on calculations of total benefit to society
- Co-authored 2018 CEA report criticizing "socialist policies" that have entered mainstream U.S. debate (e.g. Medicare for All)

## Approach and Motivations

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**Applies private sector-friendly health care analysis to broader economy and advocates for Trump economic policies**

- Academic who draws on economic models to buttress his arguments
- Has embraced role as spokesman for Administration economic policy; preached optimism about the direction of the U.S. economy as COVID-19 spread in March 2020
- Writes op-eds with key WH figures, including Jared Kushner and Ivanka Trump

**Policy Positions and Areas of Focus**

**Top WH economist currently focused on promoting President Trump's economic agenda; past work revolved around health care**

**Pro-Growth Agenda: *Extolling the president's economic performance***

- Wrote 2020 Economic Report of the President, released in February 2020; catalogs the success of the economy under Trump and makes optimistic growth projections
- Argues that the economic recovery since the 2008 Great Recession can be divided into two phases: a sluggish period under Obama and an accelerated period under Trump
- Credits tax cuts, deregulation, and energy innovation for faster growth since 2017

**Health Insurance: *Emphasizing the advantages of private health insurance over single-payer***

- Opposed to U.S. adoption of single-payer "Medicare for All" system; 2018 CEA report ("The Opportunity Costs of Socialism") citing Philipson makes case that single-payer would increase costs and worsen outcomes
- Criticizes European-style health systems for focusing solely on costs and neglecting long-term societal benefits of expensive treatments
- Supports decentralized health care system that encourages innovation and allows for consumer choice

**Prescription Drugs: *Defending the drug industry with economic arguments***

- Opposes pharmaceutical price controls; contends they would ultimately reduce innovation and lead to fewer future cures
- Wrote in 2016 op-ed that the debate over drug prices fails to account for the full benefit of expensive drugs; exceeds the sticker price for patients and society
- Argues that every innovative drug, regardless of cost, ultimately lowers the "price of health"

**Core Communities**

**Health economics expert has deep ties to academia, think tanks, and drug makers; has ascended to circle of key WH advisors**

**University of Chicago: *Longtime professor involved in several university departments***

- Public policy professor has also lectured at the Law School; listed as faculty at the Center for Poverty research; member of the Steering Committee for Center for Health and Social Sciences
- Co-authored papers with renowned UChicago law lecturer and former U.S. circuit court judge Richard Posner
- Co-authored papers with numerous UChicago Economics PhDs

**Pharmaceutical Industry: *Former industry board member and consultant***

- Former Eli Lilly board member consulted for numerous drug makers (e.g. Amgen)
- Filed amicus curiae brief on behalf of drug maker Activas; retained as expert on behalf of Amgen in dispute with generic manufacturer

**Conservative Think Tanks: *Affiliations with right-leaning research institutions***

- American Enterprise Institute Visiting Scholar and Heartland Institute Senior Fellow; Milken Institute Fellow and Distinguished Research Award recipient
- Former Chairperson of Project FDA at the Manhattan Institute; initiative seeks to transform the FDA into a "bridge for innovation"

**White House Advisors: *Close collaboration with inner circle WH figures***

- Advises Trump with National Economic Council Director Larry Kudlow and Treasury Secretary Steve Mnuchin
- Writes op-eds praising the president's policies with Ivanka Trump and Jared Kushner

**Relevant Financial Information**

**Career academic has not donated to any candidates**

**Political Donations**

- According to the Federal Election Commission database, Philipson has no recorded campaign donations

**Research grants**

- Philipson has received funding from a variety of sources, including UChicago, think tanks, federal agencies (e.g. Department of Agriculture), and private foundations (e.g. John M. Olin Foundation)

**Consulting work**

- Retained by numerous health industry and pharmaceutical firms, including Bayer AG, Bristol Meyers Squib, Johnson & Johnson, and McKesson
- A disclosure in a 2017 Forbes column entitled “Value in Healthcare,” noted that drug manufacturers Amgen, Gilead, and Abbvie, which “benefit from higher drug prices,” were clients of Philipson’s firm
- Biotech company Precision for Value bought Precision Health Economics in 2015 for an undisclosed amount

**Publications, Media, and Speaking**

**Health policy expert has appeared widely in academic journals, print, and on-air; recent appearances and op-eds praise President Trump**

**Publications: *Prominent academic has produced a significant body of economic research and wrote a weekly column for Forbes; pens op-eds in national papers with Jared Kushner and Ivanka Trump***

- Favorite Outlets: Forbes, national papers, academic journals (e.g. American Economic Review)
- Favorite Subjects: Affordable Care Act, public health (e.g. obesity), health care technology, health care economics, Trump Administration economic policy
- Research examples:
  - “Sharing R&D Risk in Healthcare via FDA Hedges” (2017)
  - “How Does Technological Change Affect Quality-Adjusted Prices in Health Care? Systemic Evidence from Thousands of Innovations” (2016)
  - “Financial Health Economics” (2014)

**Media: *Touts administration economic policy on cable news***

- Preferred Outlets: Fox Business, CNBC
- Favorite Subjects: Labor market, strength of the U.S. economy
- Social Media Habits: Twitter account amplifies White House economic messaging and highlights Philipson’s contributions and media appearances

**Speaking: *Appears before economists to promote Trump’s economic policies***

- Favorite Subjects: Trump Administration economic policies
- Preferred Audience: Economic forums (e.g. National Association of Business Economists)

### Family and Personal Background

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**“The Swede in the White House” came to the U.S. for a university exchange program and never left, embarking on a successful research career**

- Born and raised in Uppsala, Sweden, where he also earned his bachelor’s degree; U.S. citizen has lived in the country since 1984
- Mother and two brothers live in Stockholm; told Swedish media that he visits once a year, usually at the family summer home in Scania (southern Sweden)
- Stated in Swedish interview that having a Swedish perspective “has been very useful in evaluating the US economic system”
- After suffering serious knee injuries related to playing on Sweden’s junior national volleyball team, Philipson began a one-year exchange program with Claremont Graduate School in California

### Awards

- International Health Economics Association Kenneth J. Arrow Award, 2000 and 2006; awarded for best paper in the health economics field

## COVID-19 Response

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**Echoed President Trump's optimism on the virus' economic impact in February and early March 2020**

### Relevant positions

- Council of Economic Advisors

**Actions: *Released optimistic economic report and joined President Trump in meeting with bank executives***

- Released 2020 Economic Report of the President on February 20; document projected an average of 3% economic growth over the next decade
- On the same day, Philipson called the economy "very resilient" to the public health impact of the coronavirus outbreak
- On March 11, Philipson joined Trump in a meeting with banking executives; announced on Twitter that big banks "are fully capitalized" to meet credit needs" and "are providing generous loan terms" to small businesses

**Statements: *Conveying upbeat message about economy***

- Cable news blitz following the report release aimed to downplay the effect of the virus outbreak on the economy
- In March 6 Fox Business appearance, Philipson pointed to "an amazing labor market" in the face of COVID-19 related supply shocks; called the virus' impact on the economy "over exaggerated"
- Claimed that consumption data only pointed to a slowdown in specific areas, such as international travel; touted ongoing construction and housing boom
- Twitter account adheres to White House messaging surrounding the outbreak