



Organ Donation: Saving Lives through Incentives

by Donald J. Boudreaux and A. C. Pritchard

Summary

Medical demand for transplantable organs in Michigan far exceeds the number of people willing to donate them. A system that provided incentives to encourage more people to donate organs could help save thousands of lives each year.

Main text word count: 694

Michigan patients suffer from a critical shortage of transplantable human organs. Although the number of organ donors has increased from 534 in 1996 to 825 in 1998, demand for organs in Michigan continues to dwarf supply. More than 2,300 Michigani-ans—and roughly 67,000 people nationwide—are currently waiting for organs. An estimated 4,000 Americans die each year because no kidneys, hearts, lungs, or other organs can be found for them.

In 1998, the Michigan Secretary of State’s office made it easier for people to sign up for the Organ and Tissue Donor Registry. This year, the Michigan Department of Community Health is cosponsoring radio ads encouraging more people to sign. Partly as a result of these two measures, the list of names has grown dramatically but still, the need is greater than the supply.

Economics tells us that paying people market prices for their organs could reduce the shortage, but widespread public hostility to the idea of a “market for organs” means that repeal of federal and state bans on organ sales is not likely. In an attempt to cut the shortage without resorting to outright organ sales, the state of Pennsylvania recently proposed paying families of organ donors \$300 for funeral expenses.

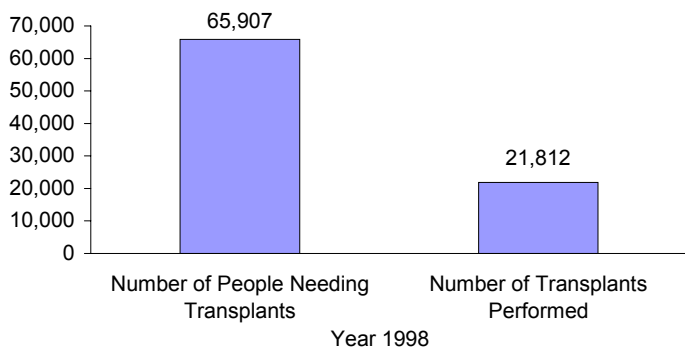
There may be a better and less costly way to solve the problem.

We propose an alternative that would reduce the organ shortage without employing those market features that organ-sale opponents find objectionable. By permitting a small payment to a person at the time he or she signs a donor registry, the shortage can be lessened without harming anyone. In addition, our plan ensures that future donors make decisions well in advance of the time for donation, potentially easing the burden on distraught family members who are asked for their consent before a donation from a loved one is made.

The system would work by paying healthy people to sign organ-donor cards. People who today sign these cards when renewing their

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National Demand for Organs Far Outstrips Supply



Source: United Network for Organ Sharing

driver's licenses receive nothing in return for consenting to organ donation, except of course an intangible "psychic" benefit. If each person were offered a modest sum—perhaps \$10 or \$25—to sign an organ-donor card, we can be confident that many more people would do so. To the extent that signing these cards increases the chances that organs will be made available for transplant, the small fee can pay huge dividends.

Who would pay this signing fee? Not taxpayers. Instead, states could allow non-profit organizations, such as the American Red Cross, to use space at motor-vehicle bureaus and pay for donor-card signings out of their charitable contributions. To supplement these contributions, whenever a health insurer uses an organ from a donor-card signer, the insurer would reimburse the charity that solicited the donation. To help fund other needed charitable activities, the reimbursement fee could be much higher than the fee paid to each card signer. Hospitals and insurers would gain from this system, too: hospitals because they would get more life-saving transplant opportunities and insurers because an increased supply of organs would cut the cost of transplant surgery and the expensive alternatives that now keep a patient alive until a donated organ is available.

Paying people a small fee for signing a donor registration card creates no losers, only gainers. There would be no windfalls inducing people to consent to organ donation, and organs would not be auctioned to the highest bidder. Only a nominal sum would change hands, compensating the donor for the time and thought spent in signing up. No one under this plan would be forced to sign donor cards and anyone wishing to sign out of a spirit of charity could still do so by simply refusing the fee. Moreover, the ultimate purpose served by the fee is beyond question: *saving lives*.

The current system of organ donation with no incentive beyond goodwill is likely to always come up short, with consequences that could not be more severe—people who could be saved are dying daily. Paying modest fees to donor-card signers is not the same as buying and selling organs but it would likely increase the supply. To save precious lives, Michigan should consider this promising option.

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