AUCS130

Spring 2017

**Are Financial Incentives the Answer to Our National Organ Shortage?**

\*\*The requirements for assignment are: **Cite at least two (2) references/sources, The body is to be 2 pages minimum, 4 pages maximum. NO pictures, graphs, or charts, APA formatted**.

The sale of transplant organs (kidneys, livers, lungs, and other vital organs) is illegal in the United States. People may donate organs but not sell them. In other words, the price of transplant organs is set at $0 and below equilibrium. This price ceiling is causing a shortage. Repealing the law that prohibits the sale of body parts would alleviate the shortage because a higher market price would increase the quantity of organs supplied and decrease the quantity of organs demanded.

For patients struggling to stay alive, organ donation serves as a new lease on life. According to the U.S. Dept. of Health & Human Services there are 123,358 people waiting for life-saving organ transplantation, yet there are only 13,125 organ donors. While subtle, nominal changes such as changing the U.S. donor program from opt-in to opt-out have been proven to increase rates of organ donation, the rising levels of organ demand and stagnating levels of donors indicate that the only way to completely bridge the gap is through tangible and pervasive policy change.

Studies show financial incentives will increase organ procurement. In the past, after small scale implementation of a $300 payment to fund the funeral expenses for deceased donors, three million Pennsylvanians signed up to donate organs. According to a study in Georgia, a discounted-driver’s-license-for-organ-donors program increased donation rates by 33 percent. If we allow market forces to dictate the prices and economics of organ exchange, another study suggests that kidney donations and transplants would increase by 44 percent, and liver donations and transplants would increase by 67 percent.

In addition to the obvious individual health benefits, a study by the CATO Institute also finds significant societal benefits, such as relief of Medicare entitlements for dialysis to treat end-stage renal disease which now cost taxpayers 21 billion dollars. This is money that could be saved with more transplantation. Quantifying the potential societal gains per transplant, the St. Louis Journal of Health Law and finds that the more cost-effective transplantation encouraged by incentives could potentially save society more than a net 248,000 dollars per transplant. The overwhelming amount of studies makes it patently clear that when money talks, people listen

**Should the U.S. institute financial incentives to encourage organ donation?** It is a contentious and controversial issue. While proponents of the policy point to societal benefits in saving lives, the economic benefits to the health care system, and increasing rates of organ donation, opponents have equal ground to stand on in their concerns about moral questions, disproportionately hurting the poor, decreasing quality of organs, and crowding out altruistic donations. Are you an organ donor?

**Please upload your work in Blackboard by Tuesday (2/21)**