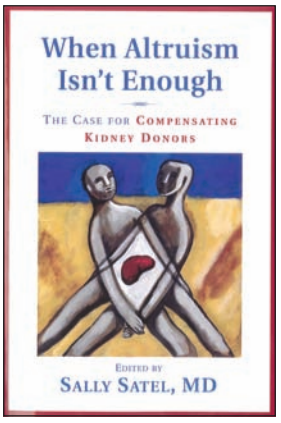

Markets in Everything?

WHEN ALTRUISM ISN'T ENOUGH: THE CASE FOR COMPENSATING KIDNEY DONORS

EDITED BY SALLY SATEL
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REVIEWED BY AARON STEELMAN

In 2006, Sally Satel, a lecturer at the Yale University School of Medicine and a resident scholar at the American Enterprise Institute, a Washington, D.C.-based think tank, received a kidney donation. She was one of the lucky ones. "In the fall of 2008 in the United States," she reports, "over 100,000 Americans were candidates for transplantable kidneys, livers, hearts, and lungs."

The vast majority of transplant candidates — about 75 percent — need kidneys. But they face a mounting challenge. "Twenty-five years ago, the average wait for a deceased-donor kidney in the United States was about one year; currently, the average wait is approaching five years, and, in many parts of the country, it is nearing ten," she writes. "Last year, over four thousand wait-listed individuals died."

Considering the huge human cost of the failure to meet this demand, Satel and Richard Epstein, a law professor at the University of Chicago, organized a conference in July 2007 to discuss alternatives to the current U.S. transplant system. The event consisted of presentations by economists, philosophers, physicians, and others interested in exploring the possibility of a more efficient and humane way of allocating kidney transplants. The papers presented at that conference are collected in this volume.

To most economists, the idea of creating a "market" for organs is neither new nor inherently objectionable. But to many others, the idea seems ghastly, something out of a dystopian science fiction novel. In this volume, the economic arguments for compensating kidney donors are addressed — as well as the ethical concerns that may, in the end, prove to be the biggest obstacle to adopting such a system.

In 1984, the National Organ Transplant Act was passed. The Act banned offering "valuable consideration" to people in exchange for donating organs. In short, donors could not be compensated. This, according to David C. Cronin II, director of liver transplantation at the Medical College of Wisconsin, and Julio J. Elías, an economist at the State University of New York at Buffalo, "has failed to procure the requisite numbers of kidneys for transplant." They outline two alternative approaches, one that they call the "free market system" and one they dub the "centralized system."

Under the free market system, those in need of organs could potentially make private arrangements with donors, determining a price for the donation, making provisions for post-operative medical care, and handling other details that would be made contractually explicit. In a separate paper, Elías and economist Gary Becker of the University of Chicago have estimated that the compensation required to eliminate the shortage of organs would be roughly $15,000. Such a system "would encourage some patients to secure transplant organs legally rather than turning to the black market, particularly since the wait in the legitimate system would be sharply reduced," write Cronin and Elías. But they argue that such a system is too controversial and "will garner virtually no political support."

The centralized system, on the other hand, would be more likely to gain such support. Under that system, donor compensation "would be fixed in advance by the government (federal or state), which would serve as the single payer and prospectively determine the type and duration of payments," Cronin and Elías write. "The compensation could take any number of forms, including fixed payment or in-kind rewards, such as long-term health insurance, college tuition, or tax deductions, or a package that included some combination of these or other, equally valuable, alternatives."

An obvious question raised by the centralized system proposal is: Wouldn't such government compensation to donors increase the cost to the public? Possibly, but as explored elsewhere in the book, current government provision of dialysis treatment and other care needed by patients with severe kidney problems, through Medicare and Medicaid, is expensive too. On balance, then, a system that would use public funding to compensate people who otherwise might not donate organs likely would be less costly than the present system. And it would almost surely reduce the shortage of available organs, giving life to people who might die waiting for purely benevolent donors.

The economic and ethical arguments for adopting a more incentive-based system of organ transplantation — one that does not rely solely on the altruism of donors, as important and noble as these selfless acts certainly are — will seem strong, indeed compelling, to many readers. But they probably will not convince those people who open this book instinctively believing that paying people for organs is simply wrong. Ultimately, this debate involves more than simple cost-benefit analyses. It requires serious thought about difficult normative issues. But one has to wonder: Is it really desirable to cling to a system that fails to save the lives of thousands of people each year when an alternative approach is within our reach? **RF**