amednews.com
AMERICAN MEDICAL NEWS

PROFESSION

Tax breaks do little to encourage living organ donations

The financial incentives are not big enough, a study finds. Other research shows default donor policies shape how people view giving their organs after death.

By KEVIN B. O'REILLY, amednews staff. *Posted Sept. 17, 2012.*

State laws allowing taxpayers who serve as living organ donors to write off some of the costs involved have had no impact on donation rates, said a study in the August issue of *American Journal of Transplantation*.

Since 2004, 16 states have enacted legislation giving living organ donors tax breaks. Fifteen of those states let living donors deduct up to $10,000 from their taxable income. The other state, Idaho, gives living organ donors a dollar-for-dollar tax credit for donation-related expenses up to $5,000.

"These laws seemed like they could be potentially useful and could increase the rate of organ donation," said Atheendar S. Venkataramani, MD, PhD, lead author of the study. "This could be a sensible policy lever if people are deterred from [donating] because they bear financial costs that are onerous to them."

Yet the tax breaks have done little to boost living organ donor rates, said the study. The states that approved living-donor tax breaks had a rate of 2.64 donors per 100,000 residents. That is slightly better than the rate of 2.47 per 100,000 in states without these tax breaks. However, the difference was not statistically significant, meaning that researchers could not rule it out as being the result of random chance.

Living organ donors do not have to pay any of the costs directly related to the transplantation, but they often are left on the hook for expenses such as lost income, travel, lodging and downstream medical complications. Such costs can be a few hundred dollars and reach as high as $20,000, said a report adopted by the American Medical Association House of Delegates in June.

The AMA's policy urges state and federal legislation to allow payments for living organ donors' expenses. The AMA also favors pilot studies of compensation for families of cadaveric organ donors and of "presumed consent," in which organ donation after death is the default unless a person opts out.

The United Network for Organ Sharing lists more than 115,000 people as wait list transplant candidates. About 80% of these patients need kidneys, which living people can donate with little to no long-term medical ill effects.

So why didn't the state tax breaks help? It may be that the money to be saved through taxes was not enough to get people's attention. A family of four with the median income in Wisconsin that writes off $10,000 in donation-related expenses would see its actual tax burden fall by only $600, the study said.

It is too early to say that using the tax system will not help close the organ shortage, said Dr. Venkataramani, an internal medicine resident at Massachusetts General Hospital in Boston.

"We haven't pushed the envelope on these policies," he said. "We could offer itemized deductions, bigger deductions or higher dollar-for-dollar tax credits. Potentially, we could titrate up to that and see if that works."

Presumed consent boosts donation

Another strategy to increase the supply of organs is presumed consent. Many European countries have implemented this opt-out policy, which has achieved success in boosting the organ supply. Spain, which has an opt-out policy, has a 35% higher cadaveric organ donation rate than the U.S., where organs can be procured from decedents only if they registered as organ donors or their next of kin approve.

The opt-out policy also appears to change how people think about the morality of organ donation, said a study published Sept. 4 in *Proceedings of the National Academy of Sciences of the United States of America*.

Researchers surveyed more than 300 people in the U.S. and Europe and found that those who lived in opt-out countries believed that donating organs after death was not as ethically consequential. They ranked it on the heroism scale as somewhere between letting other people go ahead in line and volunteering to work with the poor. Respondents in opt-in countries like the U.S., meanwhile, ranked organ donation after death as being on par with going on a hunger strike for a cause.

"When citizens are presumed by the default option to be organ donors, organ donation is seen as something that one does unless some exceptional factor makes an individual particularly reluctant to participate," the study said. "In contrast, when citizens are presumed by the default option not to be organ donors, organ donation is seen as something noteworthy and elective and not something one simply does."

ADDITIONAL INFORMATION:

16 states offer tax breaks to organ donors

Since 2004, 16 states have enacted some kind of tax break — either a deduction or a credit — to help taxpayers defray the costs associated with being living organ donors.

State	Year enacted
Arkansas	2005
Georgia	2005
Idaho	2007
Iowa	2005
Louisiana	2005
Massachusetts	2008
Minnesota	2005
Mississippi	2006
New Mexico	2005
New York	2006
North Dakota	2005
Ohio	2007
Oklahoma	2008
Utah	2005
Virginia	2007
Wisconsin	2004

Source: "The impact of tax policies on living organ donations in the United States," *American Journal of Transplantation*, August (**ncbi.nlm.nih.gov/pubmed/22487077/**)

WEBLINK

"The meaning of default options for potential organ donors," *Proceedings of the National Academy of Sciences of the United States of America*, published online Sept. 4 (**www.ncbi.nlm.nih.gov/pubmed/22949639/**)

"The impact of tax policies on living organ donations in the United States," *American Journal of Transplantation*, August (**www.ncbi.nlm.nih.gov/pubmed/22487077/**)

RELATED CONTENT

- » **Living organ donors shouldn't have to pay for their altruism** Editorial Aug. 13
- » **Transplant experts question impact of Facebook's organ-donor registration push** May 28
- » **Other nations, other answers: In search of a solution to the organ shortage** Oct. 13, 2008
- » **AMA meeting: Delegates seek to change law on organ donor incentives** July 7, 2008
- » **Economists' study says paying for organs would cut wait lists** Jan. 28, 2008