Health Systems and the Financing of Organ Donation And Transplantation

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Chief Executive Officer
OneLegacy
Los Angeles, CA
Table 277.1 Organ donors, donation rate (normalized by death rate), and transplantation volumes in 2010 (among countries with verifiable routine reporting of donation and transplantation data)

<table>
<thead>
<tr>
<th>Country</th>
<th>2010 deceased donors</th>
<th>Population (millions)</th>
<th>2010 donors/million pop. (DPM)</th>
<th>Death rate</th>
<th>Death rate normalized nDPM</th>
<th>Total transplants (Tx)</th>
<th>2010 Tx/million Pop. (TPM)</th>
<th>Deceased donors (DD) transplants</th>
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</table>
OPO Types

• Transplant Hospital-Based
  ▪ U.S. in the 1960s
  ▪ Mexico

• National Government Agency-Based/Donor Hospital Staffed
  ▪ Spain
  ▪ Japan
  ▪ Taiwan

• Nationally-Governed/Regional/Independent
  ▪ US
8 Essentials of Donation...

..What’s Missing?

• Legislation
• Allocation
• Professionalization
• Specialization
• Collaboration
• Communication
• Innovation
• ?
Transplantation is Expensive...and so is Organ Donation
...And you can't fund it with a bake sale
So, where does the money come from to fund organ donation?
So, where does the money come from to fund organ donation?

*It doesn’t grow on trees*
So, where does the money come from to fund organ donation?

And you can’t count on this guy.
Who Pays for Organ Recovery?

• Governments, through
  • Health Insurance for citizens
  • Budgets for Transplant Programs
  • Budgets for OPOs
Who Pays for Organ Recovery?

Public and Private Institutions and Organizations:
- Transplant Centers
- Hospitals
- OPOs
Who Pays for Organ Recovery?

- Insurance Companies
- Medical Groups

[Logos of various insurance and medical groups]
Who Pays for Organ Recovery?

- Philanthropy
Who Pays for Organ Recovery?

• Recipients (to organ “vendors”)
How are Organ Recovery Programs Paid?

The answer depends on each country’s healthcare system, funding mechanism, money available for donation and transplant, and funds *budgeted for and provided to* donation.
How and how much countries spend on healthcare varies dramatically.
## 4 Models of Healthcare Funding and Provision

<table>
<thead>
<tr>
<th>Model</th>
<th>Funding</th>
<th>Health care providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private insurance system</td>
<td>Private Risk adjusted</td>
<td>Private and Public</td>
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<tr>
<td>Bismarck Model</td>
<td>Public Mix of public/private</td>
<td>Public and private</td>
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<tr>
<td>Beveridge Model National health system</td>
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<tr>
<td>Out-of-Pocket/Charity Care Model</td>
<td>Cash/Charity</td>
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</table>
Beveridge Model
(Government Provided Heath Insurance & Care)

- Named for economist William Beveridge
- Health care is *provided and financed by the government through tax payments*
- Such a system tends to have low costs per capita, because the government controls what doctors can do and charge.
- Countries using the Beveridge plan include Great Britain, Spain, most of Scandinavia, New Zealand, Hong Kong, Cuba.
Bismarck Model
(Employer Provided Health Insurance)

- Named for the Prussian Chancellor Otto von Bismarck.
- It uses an insurance system usually financed jointly by employers and employees through payroll deduction.
- Plans usually have to cover everybody, and they don't make a profit.
- Doctors and hospitals tend to be private in Bismarck countries.

- The Bismarck model is found in Germany, of course, and France, Belgium, the Netherlands, Japan, Switzerland, and, to a degree, in Latin America.
National Health Insurance  
(Government Financed/Publically and Privately provided Care)

- This system has elements of both Beveridge and Bismarck.
- It uses *private-sector providers, but payment comes from a government-run insurance program*
- The single payer tends to have *considerable market power to negotiate for lower prices.*
- National Health Insurance plans also control costs by limiting the medical services they will pay for, or by making patients wait to be treated.
- The classic NHI system is found in Canada, but some newly industrialized countries -- Taiwan and South Korea
Out-of-Pocket (Cash)/Charity Care Model

- Only the developed, industrialized countries -- perhaps 40 - 50 of the world's 200 countries -- have established health care systems.
- With no private or governmental insurance, healthcare is at best a pay-as-you-go system, at worst, non-existent.
- Charitable is often the primary source of care.
Mixed Models of Healthcare Financing

- Beveridge: Governmentally-Funded Insurance
- Bismarck: Employer Funded Insurance
- National Health Insurance
- Pay-as-You-Go/Charity
An excellent resource

OPO Funding Varies as Well

- **Examples....**
  - US
  - Spain
  - Japan
  - Germany
• **OPOs paid by transplant center** directly for each organ accepted based on OPO-set fee for:
  • Public Education & Donation Development
  • Donor Detection/Referral Response
  • Family Care
  • Donor Management
  • Organ Recovery

• **Transplant Centers Paid** by Private Insurance Companies (60%) and US Government (40%)
US Model of Donation and Transplant Funding

Insurance Companies and US & State Governments

Transplant Center & MDs

OPO (Non-Profit/NGO)

UNOS

Recovery Surgeons

Donor Hospital
Spanish model of Donation and Transplant funding, (Thank you, Marti Manyalich)

1. Government Collect Taxes
2. National Health Service Takes care of all citizens, including transplants
3. National Government pays Regional Governments
4. ONT and OCCAT are National Agencies that manage waitlist registry and establish policies and regulations, and are funded by governmental budgets
Japan’s Donation and Transplant Funding

• **National Health Insurance pays** Transplant Centers
• **Transplant Centers Pay** JoT (OPO)
• **JoT pays** donor hospitals to manage donors
• **JoT pays** Recovery Teams to recover organs
• **JoT pays** Laboratories for testing
Organ Transplantation in Japan
Global Healthcare Insurance System

The HIS pays a prefixed fee

Commission
9,000 USD av.

Evening hrs 1.4 times
Night hrs 1.8 times

Donor Hospital
30,000 USD av.

Recovery Team
22,000 USD av.

Clinical Laboratory
1,000 USD av.
Japan Organ Transplant Network
Fiscal Year 2012

Revenue
($135,409,600 USD)

Expenditure
($139,694,200 USD)

GHIS: Global Healthcare Insurance System
German Funding of Organ Donation

- **Health Insurance Companies pay** the DSO (OPO) for Organ Recovery
- **DSO reimburses** Donor Hospitals for donor management and recovery
- **Health Insurance Companies Pay** EuroTransplant for listing
Finances in Organ Donation and Transplantation

Health insurance company of the organ-recipient

Lump sum per Tx

organ removal (DSO)
§ 11 TPG

refund

donor-hospital

organ allocation (ET)
§ 12 TPG

organ transplantation (TPZ)
§ 10 TPG

DRGs
OPO Financial Autonomy and Flexibility

- OPO Funded within a Transplant Center Budget
- OPO Funded by Government Budget
- OPO Funded by charging Transplant Centers

Less (-) \[\rightarrow\] OPO Financial Autonomy \[\rightarrow\] More (+)
He Who Holds the Purse Strings...

A Middle English idiom that reminds us that the one who has the money sets the rules, the budget, and controls investment.
• **In the US, the OPOs “hold the purse strings”** the OPOs are paid by the Transplant Center for each organ; and needs only the agreement (acquiescence?) of the transplant centers to increase funding.

• **In Spain the national government sets the budget** and has opted to support donation and transplantation at all levels, but increasing funding requires broad support of government and society.

• **In Germany the Insurance Companies provide the DSO a budget** and must be convinced of the economic value of increased funding.

• **In Japan the National Government holds the purse strings**, and only recently has begun to prioritize donation.
Case Study #1

• An OPO with
  ▪ A low donation rate
  ▪ Inadequate donation development/donor detection staff
  ▪ Low Organ fees charged to transplant centers
  ▪ High fees charged by donor hospitals

• What strategy should the OPO employ to afford more staff and improve donation?
Case Study #1 Possibilities

1. Raise organ fees to transplant centers?
2. Seek funds from the government?
3. Reduce fees paid to hospitals for organ recovery and use the savings for staff?
4. Ask transplant centers to give them a loan?
Case Study #1: One Solution

1. Raise organ fees to transplant centers to fund staff?
2. Seek funds from the US government?
3. Reduce fees paid to hospitals for organ recovery and use the savings for staff?* 
4. Ask transplant centers to give them a loan?

*....and we raised fees after increasing donation and demonstrating the value of investment in OPO staff
Making the Case

Whether your OPO funding comes from the government, transplant centers, or insurance companies...

...You have to be able to make the case for increased funding and new investments.
Case Study #2 Issue

• Hospital development and donor detection are well developed and referring well
• Authorization (Consent) Rates are OK, but need to be better
• Donor registration has improved donation but is slowing
Can the OPO make a case for doctors and medical groups to promote organ donation to their patients?
1. Donation never happens in a doctors office, and each office is too small... *it’s not worth the investment.*

2. The medical group and doctors are *uncomfortable* about discussions of death and donation and refuse

3. *The OPO provides a grant* to the medical group to test and demonstrate the value of donation education

4. The savings in lives and money from transplant are so great that *doctors and medical group invite the OPO to train its staff.*
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2. The medical group and doctors are *uncomfortable* about discussions of death and donation and refuse

3. *The OPO provides a grant to the medical group to test and demonstrate the value of donation education*

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Funding Organ Donation

To Summarize....
Funding Organ Donation: Lessons

1. Know your healthcare and donation funding laws and mechanisms
2. Identify who “holds the purse strings”
3. Determine the goals of those with the money
4. Assess what your OPO can do to help funders to increase their support/fees/budgets
5. Demonstrate fiscal prudence by re-deploying your current resources whenever possible
6. Do your research and share it with the funders

7. Be prepared to demonstrate long-term value from short-term investments

8. Leverage other motivators (public goodwill, personal interest to affect laws and practices)

9. Monitor the results of your investment and report back to your partners/funders to earn and maintain credibility for the next good idea
Incentivizing Organ Donation...

You Say Repugnant, I Say ... Let’s Do It!

....More on this at dinner tonight
OneLegacy

saving lives through
organ, eye & tissue donation