STATEMENT OF SALLY SATEL MD

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Before the Council of the District of Columbia, Committee on Finance and Revenue

Organ Donors Save Lives Act of 2013

Bill 20-40, the "Organ Donors Saves Lives Act of 2013" would provide a tax credit for up to $25,000 related to live organ donation expenses incurred during the tax year in which the live organ donation occurs, and to classify leave for organ donation as medical leave under the District of Columbia Family and Medical Leave Act of 1990.

Dear Chairman Evans and other members of the Committee on Finance and Revenue:

My name is Sally Satel. I will address the organ donation expenses part of Bill 20-40.

I am a resident of Washington DC. In 2006, I received a kidney from a friend. Thank goodness I had that friend – otherwise I might be wasting away on dialysis. And thank goodness I could afford to help my donor with expenses. She had to fly in from Dallas, Tx. with her husband and then spend another week in DC after she was discharged from Washington Hospital Center. My donor had health insurance so if, God forbid, she incurred some kind of transplant-related problem once back in Dallas, there was little risk that she would go untreated for a complication. No donors should suffer as a consequence of their unparalleled generosity.

<u>Background:</u> The National Organ Transplant Act of 1984 recognizes this too. That is why it protects donors from becoming financially diminished as a result of performing one of the most selfless human acts –living organ donation. Specifically, the law allows the recipient or a third party to make donors "whole" by reimbursing their costs (lost wages, travel, child care, and so on.) The law does not mention life and health insurance. Nonetheless, should a person develop a complication, or in the highly unlikely event of death (.02% mortality, or 2 in 10,000 live kidney donations), medical coverage or life insurance will make them as whole as possible. **Thus, coverage of health and life insurance is perfectly consistent with the aims of the law.**

<u>Current state of tax relief</u>: As of June 2013, 15 states offer a tax deduction of $10,000 and 2 offer a tax credit (ranging in value from $10,000 to no limit in the case of Idaho) to defray specific expenses.[1] Also, the federal government created the National Living Donor Assistance Center which reimburses donors up to $6,000 in out of pocket expenses. [2] Donors are given priority for reimbursement if their income and the recipients' income are each 300 percent or less of HHS Poverty Guidelines in effect at the time of the eligibility determination, assuming there is no other state program.

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[1] http://www.kidney.org/transplantation/livingdonors/pdf/LDTaxDed_Leave.pdf

[2] http://www.livingdonorassistance.org/ (other hardship conditions apply re: eligibility)

I am not aware of systematic data on how many potential living kidney (or liver) donors abandon their plans to give an organ because of financial hardship. But anecdotal reports by transplant coordinators attest to this occurrence. Also, if the problem did not exist, there would be no state and federal efforts to provide assistance in the first place.

Benefits of Proposed DC Law: The "Organ Donors Save Lives Act of 2013" is the most enlightened local (state) effort to help living organ donors.

First, it provides a tax credit. That will provide a more substantial reimbursement than a tax deduction.

Second, the limit of $25,000 exceeds that of other states.

Third, the Act includes the cost of health insurance and life insurance as a reimbursable expense.

Ethical Imperative: As a matter of quality care and ethical treatment of donors, it is essential that donors have health and life insurance. Many transplant centers try to obtain term insurance for prospective donors who are uninsured. If the center is unsuccessful, some turn away the very people willing to save the life of another.

But what about donors' medical problems that do not arise from donation or that have unclear relevance to it? Should reimbursable insurance costs go to cover those? Practically speaking, it can be difficult to differentiate health problems resulting from the surgery or organ removal from those that would have occurred anyway. What's more, by virtue of having donated, some donors now have a very minor disadvantage in weathering medical problems more generally. In this way, enhancing their ability to maintain overall health falls under the general aim of making donors whole. (In this spirit, elective procedures such as in vitro fertilization or bariatric surgery should be explicitly excluded from the insurance package). In the end, it is better to err on the side of term health insurance coverage that is too generous than to nitpick over the origins of medical problems a donor might develop within seven years after donation.

In closing, approving this bill means that some families will enjoy greater peace of mind when they donate. For others, it could make the difference between donating and not doing so -- thereby leaving their loved ones to languish on dialysis and die a premature death.

Recommendations: The law should be amended to explicitly include insurance deductibles and other relevant medical expenses as eligible for reimbursement under the $25,000 tax credit. Thank you very much for your consideration. Further discussion should concern non-taxpaying donors (a refundable credit for them?) and potential donors too financially strained to advance money for expenses upfront.