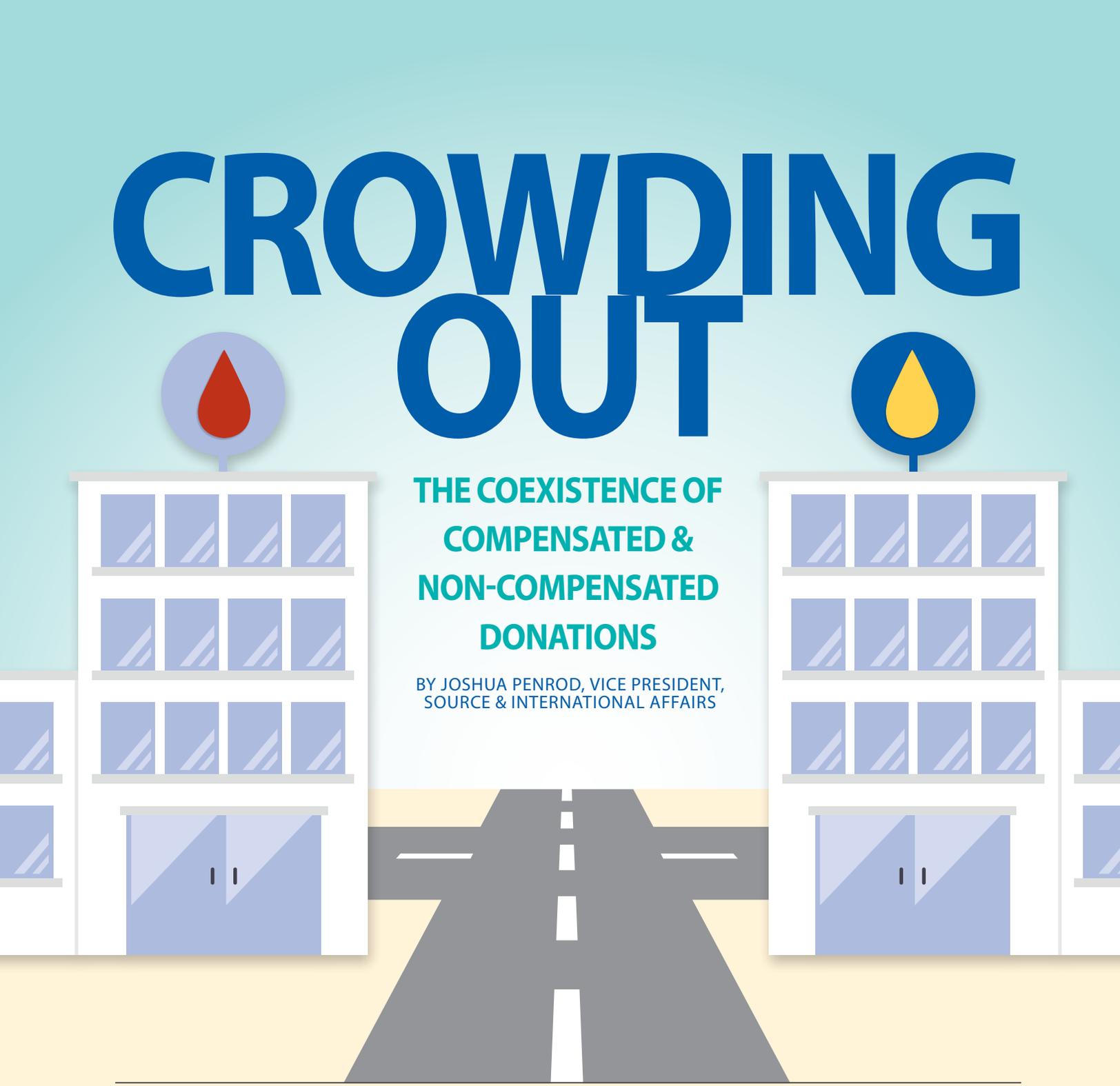


CROWDING OUT



THE COEXISTENCE OF COMPENSATED & NON-COMPENSATED DONATIONS

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What happens to blood collection when plasma collection increases? What happens to a blood center when a plasma center opens nearby? These questions and others related to it have come up from time to time over the years. In recent discussions, it has come up more frequently—and with greater urgency. In 2016, PPTA member companies in the United States collected more than 38 million plasma donations, nearly quadruple what it had been a decade before.

Throughout the same period of time, the number of plasma collection centers has more than doubled, indicating that while the growth in the industry has been significant, the volume of source plasma collected per center has increased by an even greater rate.

All of this growth has occurred against the backdrop of concerns relating to compensated plasma collection and national self-sufficiency policies. These issues have been covered extensively elsewhere (Penrod, 2016¹; Taylor, 2014²). Some of the specific concerns about compensated donation include the effect that incentives have on donor motivation and potential related issues. Richard Titmuss also put this idea forward in *The Gift Relationship*; however, like so many claims alleged in that work, it was largely unsupported. Other works have also questioned the possibility of “crowding out” occurring, and still others have attempted to better understand the possibility of crowding out when it occurs.

The increasing quantity of plasma collected, and with such unanswered questions and worries articulated even in public policy and news articles, concern has been growing. A recent *New England Journal of Medicine* (NEJM) article indicated that declines in blood collection throughout the past several years have exceeded 25 percent, with a possibility that the declines will continue for at least several more years.³ The authors suggest that the reasons behind the declines, at least in the U.S., have been due to a handful of different factors, including changes in surgical practice and blood-management strategies, among others. The authors argue that the business impacts of the trends of less blood usage are also combined with a strain on blood systems with low reimbursement rates, escalating regulatory costs due to more stringent requirements, and more general health care industry pressures. The article depicts deep public health concerns regarding these trends and the possible problems with it, and we should all share those concerns.

From the standpoint of plasma collection, it’s also important to address these concerns in the face of the increases in plasma collection mentioned earlier. The NEJM authors cite many factors that are increasing the level of challenge within the realm of blood collection in the United States. It may be instructive to look at other countries for their experiences as well.

In the Czech Republic, the Ministry of Health keeps highly accurate records on plasma and blood collection within the country, dating back more than a decade. Using these data, we can see, over the span of 10 years, whether there appears to be an impact on blood collection or not.

Professors Mario Macis and Nico Lacetera, of Johns Hopkins University and the University of Toronto respectively, are in the process of analyzing data from the Czech Republic



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and have offered some preliminary findings from a paper currently in progress.⁴ Profs. Macis and Lacetera assume the presence of three major types of donors: (1) donors who are motivated by economic incentives; (2) donors motivated by social image; and (3) donors who have a different range of motivations and may switch between types of donations (including the altruistically motivated plasma donor who might switch to donate blood in the presence of compensation for plasma). Some of the early results that the authors offer include:

- Blood collection numbers and rates have remained relatively stable over the past 10 years, with neither sharp upticks nor declines.
- This stability in blood collection has persisted despite the opening of 10 plasma collection centers between 2007 and 2010.
- This same stability in blood collection has persisted despite a dramatic increase in predominantly compensated source plasma collection during the same time frame, moving from 6.8/1000 donations per person in 2006 to 63.4/1000 donations per person in 2010.

The authors draw some conclusions from these preliminary results. First, there is little indication that compensation has had any effect on non-compensated donations in the Czech Republic. Second, these figures tend to underscore that donors of plasma and blood come largely from different populations. Lastly, donors have a mix of motivations; as the authors put it, “preferences for altruistic behavior might not be incompatible with preferences for monetary compensation.”

Some of the more prominent recent discussions on crowding out have occurred in several provinces in Canada. While much of the early rhetoric focused on the safety of compensated plasma, this contention is completely unsupported by evidence. As noted by the leadership of Canadian Blood Services, plasma products derived from compensated donors have excellent safety records, and the issue of compensation having any deleterious impact on safety is untrue.⁵

The argument instead turns to concerns regarding a potential crowding out. A recent survey conducted by Profs. Macis and Lacetera in Canada, presented at the American Enterprise Institute on October 20, indicates that more than 72 percent of the population in Canada is in favor of having compensated plasma donation in Canada.⁶ Naturally, these numbers are even higher when survey respondents are asked to consider the need for domestic sources of supply.

Doesn't this give an indication that crowding out would occur in Canada, given the supermajority of the population in favor of donor compensation? First, it is an indication that suggests perceptions about donor compensation are somehow "different" in Canada than they are in a number of other countries in the world are false. Second, the percentages of those in favor of compensated donation done in the United States is only somewhat higher, meaning donors who currently donate in Canada are likely *already* aware of all of the marketing that occurs regarding the importance of blood donation. Any effect of crowding out would seem to be already a part of the numbers. This is further emphasized by the *direct* experience in other countries, which indicates that the donor populations are different, and largely separate.

As another measure of misplaced policy priorities, Canada has national legislation that prohibits payment or advertising of payment for human eggs or sperm. Called the Canadian Assisted Human Reproduction Act of 2004, the legislation has essentially forced importation of gamete cells from donation centers outside of Canada (e.g., the United States.) While some

donors do, in fact, donate for non-monetary reasons, fertility clinics (and hopeful parents) in Canada are generally reliant on importation of the necessary means from the United States. One example of several consistent estimates is that Canada imports approximately 90 percent of sperm cells used by fertility clinics.⁷ Between this and the ongoing issues with compensated plasma donation in several provinces, it would seem to be evident that, rather than concerns about crowding out, Canadian policymakers should recognize that the status quo is crippling their own internal potential.

Given the clear concerns and stark reality involved in whole blood collection in many countries today, it is important to give consideration to public health dimensions of important resources such as availability of whole blood components. It is also important, however, to greet these concerns with evidence and critical thinking, rather than seeking to score political points. After all, patients rely on compensated plasma donation as well—even in territories, provinces, states, and countries where compensation is unlawful. We should all avoid any discussion that stigmatizes compensated donation; instead, we should simply thank *all* donors. ●

References:

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For a better understanding, in the Czech Republic it is common practice to compensate whole blood or apheresis donors. Compensation of the private plasma sector is limited to 5 percent of the legal minimal wage (CZK 550 ~ 25 USD) and is distributed as a lump sum of donor's costs and time connected to the donation. Compensation from the public transfusion sector includes a day off work with full pay (CZK 3000 ~ 136 USD) or a personal income tax deduction (tax base of CZK 2000 ~90 USD). This is considered as a gift for medical purposes. A Czech specificity allows donors to choose which kind of compensation they want independent of where they donate.