

Gaming the Liver Transplant Market

This paper examines the impact of a reform designed to curtail the strategic manipulation of the liver transplant waiting list. Prior to March 1, 2002, livers were allocated by a standards based regime in which strategic misrepresentation of severity of patient illness could enhance a center's chances of performing a transplant. After March 1, 2002, a rules-based allocation regime was introduced that eliminated subjective factors in the allocation of livers. Using this policy change to identify strategic manipulation of the waiting list, I show an association between highly competitive transplant markets and an increased willingness to misrepresent patient need to obtain livers. Since the misrepresentation was so pervasive in competitive markets, the efforts of centers to manipulate the waiting list essentially canceled each other out. After the new regime was implemented, there was little change in the average severity of sickness at time of transplantation in competitive liver markets.