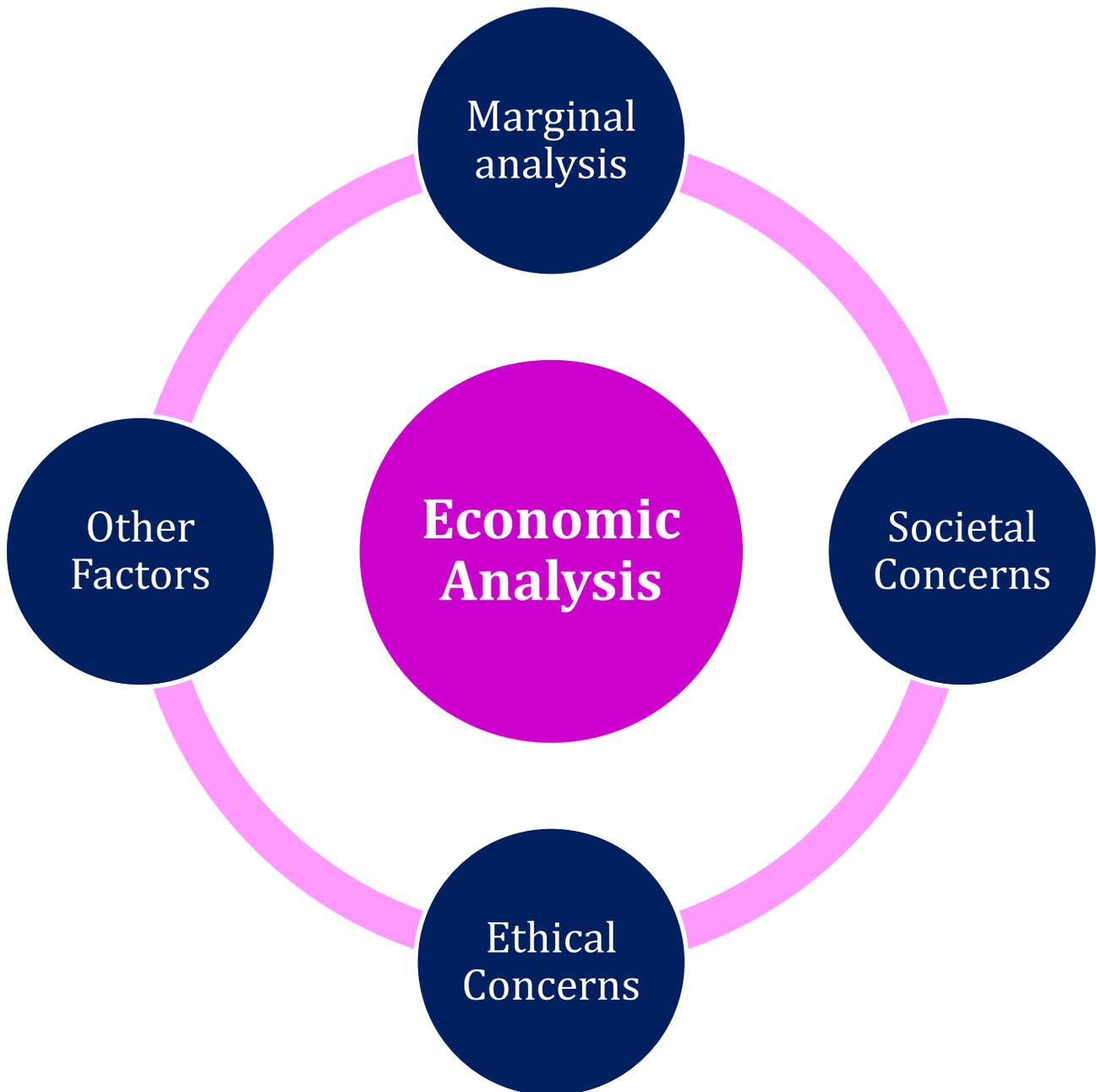


Lesson Graphic Organizer



Big Idea Card

Big Ideas of Lesson 3, Unit 1

- When faced with the problem of scarcity, other factors may influence the choices people make in addition to the opportunity cost.
- Sometimes social and ethical concerns play a role in economic decision-making.
- A strict marginal analysis approach may not always be preferred when there are other social and/or ethical factors that societies, groups, and individuals value and want to consider in economic decision-making.

Word Cards

Word Cards from previous lessons needed for this lesson:

- **scarcity** – Word Card #4 from Lesson 1
- **choice** – Word Card #5 from Lesson 1
- **opportunity cost** – Word Card #6 from Lesson 1
- **marginal analysis** – Word Card #8 from Lesson 2

12 economic analysis



a systematic way to determine the best use of scarce resources, involving the comparison of two or more alternatives and taking into account opportunity costs as well as the private and social costs and benefits of a project to the community or economy

Example: Economic analysis is used to make societal decisions on investments in education, science, and other areas of concern.

(SS100103)

13 ethical



pertaining to or dealing with morals or the principles of morality; pertaining to right and wrong in conduct

Example: Ethical issues such as the use of child labor in the clothing industry may cause consumers to choose a more expensive alternative.

(SS100103)

14 social



of or relating to human society and the ways in which it is organized; pertaining to human welfare

Example: Social issues, such as poverty, bullying, education and civil rights are moral problems that affect a member or members of a society.

(SS100103)

15 issues



an important subject or topic that people are talking or thinking about; the solution to the topic is usually in dispute between two or more parties

Example: Many public policy issues involve economic, ethical, and social considerations.

(SS100103)

Matching Donor Organs with Transplant Candidates

When a deceased organ donor is identified, a transplant coordinator from an organ procurement organization accesses the UNet system and enters necessary medical information about the donor. The system uses this information to match the medical characteristics of the candidates waiting against those of the donor. The system then generates a ranked list of patients who are suitable to receive each organ. This list is called a "match run." Factors affecting ranking may include:

- tissue match
- blood type
- length of time on the waiting list
- immune status
- distance between the potential recipient and the donor
- degree of medical urgency (for heart, liver, lung and intestines)

The organ is offered to the transplant team of the first person on the list. Often, the top transplant candidate will not get the organ for one of several reasons. When a patient is selected, he or she must be available, healthy enough to undergo major surgery and willing to be transplanted immediately. Also, a laboratory test to measure compatibility between the donor and potential recipient may be necessary. If the organ is refused for any reason, the transplant hospital of the next patient on the list is contacted. The process continues until a match is made. Once a patient is selected and contacted and all testing is complete, surgery is scheduled and the transplant takes place.

Source: "Matching Organs." Transplant Living. Unos. 8 July 2014
<<http://www.transplantliving.org/before-the-transplant/about-organ-allocation/matching-organs/>>.

Rationing Transplants: An Ethical-Economic-Societal Choice

You are a member of a surgical team in a leading U.S. hospital. Recently your hospital received an organ donation from the family of an accident victim. There are three eligible transplant candidates and your team must decide **distribution**, or which patient will receive the liver transplant using **marginal analysis**.

Potential Liver Transplant Recipients:

1. A **65-year-old former famous pro-football player**, with a wife, adult children, and two grandchildren has been awaiting a liver transplant for 6 months. He currently works for the United Way, traveling around the country assisting young kids with disabilities. His health insurance will cover the cost of the operation.
2. A **45-year-old female working as an executive** of a major bank has been awaiting a liver transplant for 25 months. She has no family, but her work has benefited the profit of the bank significantly, which loans money to tens of thousands of people. Her health insurance will cover $\frac{3}{4}$ of the cost of the operation.
3. A **25-year-old male construction worker** with a wife and three children has been awaiting a liver transplant for 18 months. Until being laid off for various other serious health reasons, he provided most of the family's income. Now his wife works at a part-time job to make ends meet, even though he collects unemployment. Her insurance would cover about $\frac{1}{4}$ of the costs of the operation. Family has \$200,000 life insurance policy.

Step 1: Using the grid below, analyze how the survival of each transplant candidate would impact his family, the community, and the economy.

| | Impact on Family | | Impact on Community | | Impact on Economy | |
|----------|------------------|-----------------------|---------------------|-----------------------|-------------------|-----------------------|
| | COST No Liver | BENEFIT Gets Liver | COST No Liver | BENEFIT Gets Liver | COST No Liver | BENEFIT Gets Liver |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |

Step 2

1. Analyze your results, which recipient will receive the liver transplant? Explain your decision, including the justifications for this decision.
2. Did your group use marginal analysis? If so, explain.
3. Did your group violate the concept of marginal analysis in anyway? Explain.

Rationing Transplants: An Ethical-Economic Societal Choice-Answer Sheet

| Impact on Family | | |
|-------------------------|--|---|
| | COST | BENEFIT |
| 1 | No dependents need his income Football wealth, not need more \$ | Wife and extended family |
| 2 | No loss of loved ones | Could have a family in future Still in prime years |
| 3 | Health care issues econ drain on family | Wife and 3 children dependent on dad Youngest |

| Impact on Community | |
|--|---|
| COST | BENEFIT |
| Others can continue united way 65 year old-lived life Short wait period | Contributes to many children with special needs Famous icon Caring person |
| There are other executives do her job Banking not imp. to community Could be corrupt | Hardworking and motivated Contributes to company Intelligent Longest wait period |
| Not imp. contributor to community Other health problems | |

| Impact on Economy | |
|---|---|
| COST | BENEFIT |
| No really contribute to overall econ anymore since not a player | Health insurance pays for it, no econ cost for society |
| Insurance only pays ¾ of costs | Huge contributor to econ. through loans “job creator” for many in industry |
| Health insurance pay very little Job not help economy Collects unemployment | |