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The Effects of Medicaid Expansion on South Carolina's Economy and Employment: A County-Level Analysis

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The Effects of Medicaid Expansion on South Carolina's Economy and Employment: A County-Level Analysis

Summary

In South Carolina, parents are currently eligible for Medicaid only if their incomes fall below 67 percent of poverty (about $16,650 per year for a family of three). Non-elderly non-disabled adults without minor children are ineligible regardless of how poor they are. (Certain individuals, such as pregnant or postpartum women and others, have higher income criteria.) But under the Affordable Care Act, South Carolina has the opportunity to expand Medicaid eligibility to 138 percent of poverty (about $34,300 per year for a family of three) for low-income adults. All but ten states in the nation have already expanded Medicaid eligibility. As a result of South Carolina's restrictive Medicaid eligibility, almost half a million residents were uninsured in 2022.

This analysis describes how South Carolinians could benefit by expanding Medicaid beginning in January 2026. Estimates are presented for the years 2026 to 2028 for the overall state, as well as for each of 46 counties in the Palmetto State. Highlights include:

- More than 360,000 people statewide would gain full Medicaid coverage in 2026. (This includes more than 100,000 adults who would shift from having a partial Medicaid family planning benefit to comprehensive Medicaid coverage including primary care, specialty care, hospital and prescription drug benefits.)
- Expanded eligibility would substantially improve access to primary and preventive health care, acute care and medication coverage. Research from Medicaid expansions in other states demonstrates that expansions lower the number without insurance, improve health equity, increase access to care, improve health outcomes and advance financial well-being for both individuals and for health care providers.
- With expansion, South Carolina would earn $2.5 billion in federal Medicaid matching funds in 2026 plus $435 million in temporary federal bonus payments awarded under the American Rescue Plan. The bonus payment lasts for two years only. There would be some loss in federal premium tax credits because some would shift from health insurance marketplace coverage (healthcare.gov) to Medicaid. And the state would have to cover $270 million in state matching costs for expanded coverage in 2026. Even so, South Carolina would gain $2.4 billion in additional federal funding in 2026, $2.6 billion in 2027 and $2.3 billion in 2028, compared to a baseline in which Medicaid was not expanded.
- Economic analysis, conducted using IMPLAN, shows how the additional federal funding would benefit local economies and employment across the state. The effect of additional federal funding would multiply across all sectors of the state and generate $4.0 billion in economic output in 2026. Employment would grow by about 28,000 in 2026, of which 18,000 jobs would be in the health sector and 10,000 jobs would be outside of health care, such as in construction, real estate, retail, agriculture, manufacturing and so on.
- As a result of increased economic activity and employment, county and state tax revenues would rise by more than $100 million per year from 2026 through 2028.
- Economic and job growth would occur in rural and urban counties from the Blue Ridge Mountains to the Atlantic coast. For example, Richland County, where Columbia is located, would experience almost $200 million in additional economic activity in 2026 and gain over 2,400 jobs. Greenville County's economy would also grow by $200 million and 2,500 more would gain employment. Horry County's economy would rise by $160 million and there would be 1,800 more jobs. More detailed data for each of South Carolina's 46 counties are shown in Tables A-1 to A-3.

Introduction

South Carolina is one of ten states that has not expanded Medicaid eligibility for low-income adults. In 2010, the Affordable Care Act (ACA) authorized the expansion of Medicaid eligibility for low-income adults; those with incomes up to 138 percent of the federal poverty line, which in 2023 equals about $34,300 per year for a family of three. Although the law originally intended to expand Medicaid coverage in all states, a 2012 Supreme Court decision gave states the option to expand Medicaid or not. As of January 2014, when the ACA's Medicaid expansion went into effect, 24 states (plus the District of Columbia) chose to expand Medicaid coverage. Since then, 16 more states have decided to expand Medicaid coverage. North Carolina is the most recent; its expansion began in December 2023.

Currently, in South Carolina's Medicaid program – also called Healthy Connections – parents who are neither elderly nor disabled are eligible for Medicaid only if they make less than 67 percent of the federal poverty line, about $16,650 per year for a family of three (this incus a 5 percent standard deduction). Non-elderly, non-disabled adults without children are generally ineligible for Medicaid, regardless of income.[1] Medicaid eligibility in South Carolina is among the most restrictive in the nation.

A result is that over 450,000 non-elderly South Carolinians, mostly adults 19 to 64, were uninsured in 2022.[2] (2022 is the most recent year available. See Table 1 for more detail). That number is greater than the combined population of South Carolina's three largest cities (Charleston, Columbia and North Charleston). Two-thirds (67%) of uninsured adults live in families with at least one full-time worker.

This report provides a county-by-county analysis of the potential economic and employment effects of expanding Medicaid in South Carolina by 2026, using options available under current federal law. It demonstrates how a Medicaid expansion would benefit the economy and the number of jobs in every county of the state. Some may believe that Medicaid expansion will only help urban areas or minority populations. But the uninsured are in all four corners of the state and in every racial category. This analysis demonstrates that all parts of South Carolina will be helped by a Medicaid expansion, including every county. It is similar to earlier county-level analyses about Medicaid expansions in North Carolina, conducted before North Carolina finally decided to expand Medicaid.[3]

Table 1. South Carolina's Non-elderly Uninsured Population, 2022

	Number	Percent Uninsured
Uninsured 0-64 Yrs	**456,500**	**11.1%**
By Age		
Children 0-18	53,500	4.6%
Adults 19-64	403,000	13.5%
By Race/Ethnicity		
White	224,900	9.1%
Other	230,600	13.9%

Source: American Community Survey data

South Carolina still has the opportunity to expand Medicaid eligibility for hundreds of thousands of low-

[1] South Carolina has adopted Medicaid eligibility expansions for other groups, including children, pregnant women and postpartum women who gave birth within the past 12 months, those requiring cancer screening and treatment and has allowed limited coverage expansions for family planning benefits. See https://www.scdhhs.gov/members/program-eligibility-and-income-limits and https://www.scdhhs.gov/communications/scdhhs-extends-medicaid-coverage-12-months-postpartum

[2] Kaiser Family Foundation. Uninsured Rates for the Nonelderly by Race/Ethnicity. 2022. Based on the Census Bureau's American Community Survey data. https://www.kff.org/uninsured/state-indicator/nonelderly-uninsured-rate-by-raceethnicity/?dataView=0&currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

[3] Ku L, Bruen B, Steinmetz E, Bysshe T. The Economic and Employment Costs of Not Expanding Medicaid in North Carolina: A County-Level Analysis. Dec. 2014. Cone Health Foundation and Kate B. Reynolds Charitable Trust. Ku L, Bruen B, Brantley E. The Economic and Employment Benefits of Expanding Medicaid in North Carolina: A 2019 Update. Cone Health Foundation and Kate B Reynolds Charitable Trust. June 26, 2019. Ncmedicaidexpansion.com

income residents. In addition to their high rate of being uninsured, South Carolinians carry the second highest burden of medical debt (relative to their incomes) in the U.S.[4] Expanding Medicaid would not only lower the number of uninsured and improve their access to health care, it would relieve indebtedness, strengthen the state's economy and boost employment, as well as bolstering its health care system, by attracting billions of dollars of federal revenue to support health care in the Palmetto State. Regrettably, since South Carolina has failed to expand Medicaid in the decade since 2014, when it first had the opportunity, hundreds of thousands of South Carolinians have had poorer access to medical care and prescription drugs. In addition, South Carolina has lost more than a billion dollars in additional federal revenue every year since 2014, while most states have been able to access this federal funding.

Federal Financial Incentives for Medicaid Expansion

The Federal government will cover most of the cost of Medicaid expansion. Under the ACA, the federal government covers 90 percent of the total cost of benefits for those in the eligibility expansion categories; the state is responsible for only the remaining 10 percent. In contrast, the regular federal matching share for most South Carolina enrollees is 69.53% in 2024;[5] South Carolina covers the remaining 30.47 percent of the cost of benefits for its non-expansion enrollees.[6]

The American Rescue Plan Act of 2021 provides an additional fiscal incentive. States that expand coverage after that law was enacted – which could include South Carolina -- will earn a two-year temporary bonus of additional federal funding, worth 5 percent of the costs of Medicaid benefits, other than the expansion itself. The temporary bonus is larger than the initial state share of costs, so that Medicaid expansion is effectively free to South Carolina in the initial years; the bonus could be carried over to help cover costs in the third year too**.** As described later, the bonus is worth about $435 million in 2026 and $469 million in 2027.

The influx of federal Medicaid funds will spur economic and employment growth in all counties across the state, first benefiting hospitals, clinics and pharmacies, but then spreading into the rest of the economies of every county, including retail, financial, manufacturing and agriculture and those employed in these industries As individual and business incomes improve, this will increase the flow of tax revenues into county and state coffers.

Estimates of the Effects of Medicaid Expansion

The objective of this analysis is to estimate – for each of South Carolina's 46 counties as well as for the overall state – how a Medicaid expansion that begins in January 2026 (which could have been approved the year before) will affect:

(a) the number of South Carolinians covered by Medicaid in each county,

(b) the level of new federal Medicaid funding that would flow into each area,

(c) the economic impact of this change, the growth in economic output,

(d) the increase in employment, both health care-related and non-health employment and

(e) increase in county and state tax revenue caused by the growth.

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[4] Commonwealth Fund. 2023 Scorecard on State Health System Performance. June 2023. See Appendix C1 See Appendix C1. https://www.commonwealthfund.org/sites/default/files/2023-06/Radley_2023_State_Scorecard_APPENDICES.pdf#page=8

[5] The Federal Medical Assistance Percentage (FMAP) is recalibrated each year and is based on each state's per capita income compared to the national per capita income. FMAPs range from 50 percent to 77.3 percent and are higher in states with lower incomes.

[6] There are adjustments for some benefits and populations. For example, family planning benefits earn 90 percent federal match.

We project these for calendar years 2026, 2027 and 2028.

These are conservative projections, based on the best available recent data, current law and widely used economic models. We do not pretend to be soothsayers who can accurately predict the future. The methodology and assumptions are explained in more detail in the Appendix. The economic and employment consequences are based on the effects of projected changes in federal Medicaid expenditures in South Carolina, which are then used as economic inputs and modeled using the IMPLAN regional economic analysis system. IMPLAN is a widely used system for modeling the economic and employment effect of government investments, regularly updated, and used by a broad network of analysts, including local, state and federal officials, universities, private corporations and non-profit organizations.[7] The methods are discussed in the Appendix.

Briefly, we began by using information about average county-level Medicaid enrollment by eligibility category in State Fiscal Year 2019-20 and average Medicaid expenditures per enrollee by eligibility category in State Fiscal Year 2022-23.[8] We used enrollment from the 2019-20 period because South Carolina's (and other states') Medicaid enrollment surged between 2020 and 2023 in response to the temporary continuous enrollment requirement that occurred during the COVID-19 pandemic under the Families First Coronavirus Response Act. Enrollment has fallen sharply as the pandemic provisions ended and the state began its Medicaid "unwinding" period, which is scheduled to end in August 2024 for South Carolina.[9] When these estimates were developed, we assumed that Medicaid enrollment levels would eventually return roughly to the pre-pandemic levels of 2019-20, with a small adjustment for general population growth in future years. We adjust average Medicaid expenditures per category beyond the 2023 period, using the Congressional Budget Office's (CBO's) Medicaid baseline projections.[10] These are used to project "baseline" Medicaid expenditures for the years 2026 through 2028, a current law baseline assuming there are no major changes in South Carolina's Medicaid eligibility policies. We estimate that baseline "current law" Medicaid enrollment would rise from 1.294 million in 2020 to 1.414 million by 2026, with modest increases due to population growth.[11]

Enrollment Impact. We then modify these baseline estimates to account for the projected increase in the number of people who would enroll in Medicaid if South Carolina adopted an eligibility expansion for non-elderly non-disabled adults with incomes up to 138 percent of the poverty line, including both parents and childless adults. Based on the state's current eligibility levels, the demographics of its population, and the experience of other states that have expanded Medicaid, we estimate that Medicaid enrollment would grow to 1.670 million in 2026 if Medicaid eligibility was expanded. This represents an increase of 257 thousand over the projected baseline without an expansion.[12] This includes an increase of

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[7] For more information about IMPLAN see https://implan.com.

[8] Provided by the South Carolina Department of Health and Human Services (SCDHHS) in response to a request by the South Carolina Appleseed Justice Center.

[9] CMS. Scheduled State Timelines for Completing Unwinding-Related Renewals. Preliminary Analysis as of May 2024. https://www.medicaid.gov/resources-for-states/downloads/sst-cmpltng-unwndng-rnwls-prlmnry-anlys-05312024.pdf. Data as of June 2024 indicate that about 330,000 enrollees were terminated from South Carolina's Medicaid program during unwinding, with many cases still in process. Kaiser Family Foundation. Medicaid Enrollment and Unwinding Tracker, as of June 4, 2024. https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-overview/ [Accessed June 13, 2024].

[10] Congressional Budget Office. Medicaid Baseline. May 2023. https://www.cbo.gov/system/files/2023-05/51301-2023-05-medicaid.pdf

[11] The enrollment levels are based on SCDHHS reports, which include those with partial Medicaid benefits, such as family planning or Medicare wraparound benefits. In contrast Medicaid enrollment data presented by the Urban Institute or the Kaiser Family Foundation are for full-benefit enrollees and exclude those with partial benefits.

[12] Our expansion estimates are similar to those of the Urban Institute, after adjusting for differences in enrollment related to full vs. partial benefits, discussed above. Buettgens M, Ramachandan U. 2.3 Million People Would Gain Health Coverage in 2024 if 10 States Were to Expand Medicaid Eligibility. Urban Institute. Oct. 2023.

329 thousand non-elderly adults and 36 thousand children, but a reduction of 110 thousand in the family planning eligibility category. In 2020, there were 176 thousand persons enrolled in a partial Medicaid benefit category that covers only family planning benefits, for persons with incomes up to 194 percent of the poverty line. If Medicaid eligibility is expanded to 138 percent of poverty, we expect that the majority of the family planning beneficiaries will shift into full Medicaid eligibility and thereby gain comprehensive Medicaid benefits, while those with incomes above 138 percent of poverty will remain eligible only for family planning benefits. All told, the number of children and adults with full Medicaid benefit coverage would rise by about 365,000 in 2026, including those who only had limited family planning benefits before.

Table 2. Estimated Changes in South Carolina's Medicaid Enrollment. Differences from Baseline Without Expamsion, 2026-28.

Eligibility Category	2026	2027	2028
Children	36,187	36,734	37,281
Family Planning Adults*	-110,200	-111,449	-112,698
Adults*	328,889	333,859	338,829
Net Change, Total*	**256,902**	**261,171**	**265,440**
Increase in Full Benefits*	**365,076**	**370,593**	**376,110**

* With a full Medicaid expansion, many enrolled with family planning benefits would transfer into comprehensive benefits as expansion enrollees, while family plannning enrollees with incomes above 138% of poverty would remain with family planning benefits only. We do not expect major changes in enrollment of elderly or disabled beneficiaries.

The enrollment gains grow slightly in 2027 and 2028. The statewide results are summarized in Table 2. More detailed data, for each of South Carolina's 46 counties for 2026, 2027 and 2028, are shown in Tables A-1 to A-3.

As more people would be enrolled in Medicaid, they become eligible for medical assistance, such as preventive and primary medical care, other acute medical care, medications, medical supplies and hospital care. This would help hundreds of thousands of uninsured South Carolinians gain access to medical care, including more vaccinations, screening and treatment for diabetes and cardiovascular disease, pharmaceutical benefits and treatment for mental health problems and opioid use disorder. A substantial body of research demonstrates how Medicaid expansions in other states have led to improved access to care, improved health equity and to better health, social and economic outcomes.[13] [14]

Increased federal Medicaid funding leads to greater Medicaid revenue for clinics, hospitals, pharmacies and other health care facilities, as well as reductions in costs for uncompensated medical care that is provided to the uninsured.[15] This may be particularly valuable for rural hospitals, which have struggled in recent years. In South Carolina, six rural hospitals closed since 2010.[16]

Fiscal Impact. An important driver of the health and economic consequences of Medicaid expansion is the change in federal funding as Medicaid expands, as seen in Table 3. The most important

https://www.urban.org/research/publication/23-million-people-would-gain-health-coverage-2024-if-10-states-were-expand

[13] Guth M, Garfield R, Rudowitz R. The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020. Kaiser Family Foundation. https://www.kff.org/medicaid/report/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review/

[14] White House Office of Economic Advisers. The Effects of Earlier Medicaid Expansions: A Literature Review. June 2021. https://www.whitehouse.gov/cea/written-materials/2021/06/22/the-effects-of-earlier-medicaid-expansions-a-literature-review/

[15] Ammula M, Guth M. What Does the Recent Literature Say About Medicaid Expansion? Economic Impacts on Providers. Kaiser Family Foundation. Jan. 2023. https://www.kff.org/medicaid/issue-brief/what-does-the-recent-literature-say-about-medicaid-expansion-economic-impacts-on-providers/

[16] SC Office of Rural Health. Rural Hospitals. https://scorh.net/rural-hospitals/

Table 3. Summary of Projected Federal and State Fiscal Effects Due to Medicaid Expansion in South Carolina, 2026 to 2028. Millions of Nominal Dollars. (Compared to non-expansion baseline)

Description	2026	2027	2028
Increase in Federal Medicaid Matching Funding	$2,484	$2,684	$2,899
Increase from American Rescue Plan Bonus Payments	$435	$469	$0
Loss of Federal Premium Tax Credits	-$270	-$270	-$270
Net Increase in Federal Revenue	**$2,650**	**$2,883**	**$2,629**
Increased State Medicaid Matching Costs	-$270	-$330	-$356
Net Change (Federal Revenue Less State Costs)	**$2,380**	**$2,553**	**$2,273**
Increase in County and State Tax Revenues	$112	$123	$110
OVERALL NET STATE FISCAL GAIN (millions of $)	**$2,492**	**$2,676**	**$2,383**

change is the increase in federal matching funds for those whose Medicaid eligibility has expanded, worth 90 percent of the total cost of Medicaid benefits. There is also an increase in federal funding expected for a modest increase in the number of children covered. Although children already have high Medicaid eligibility in South Carolina, the increase in adult enrollment is expected to stimulate a slight increase in child participation among those already eligible, sometimes called the "woodwork effect." They would have the regular federal Medicaid matching rate of 69.53%. Together, these increase federal matching funds by $2.5 billion in 2026, $2.7 billion in 2027 and $2.9 billion in 2029 (after accounting for both medical inflation and population growth), above the baseline of federal funding that would occur without expansion. In addition, South Carolina would gain a two-year bonus federal payment that is equivalent to 5 percent of Medicaid benefits without the expansion. This is worth $435 million in 2026 and $469 million in 2027 but disappears in 2028.

Although Medicaid expansion will increase Medicaid participation and funding, it will slightly lower the number of people who get insurance through healthcare.gov, the federal ACA health insurance marketplace. Those with incomes between 100 and 138 percent of poverty will shift from marketplace coverage into Medicaid coverage instead. (Those with incomes below 100 percent of poverty are not eligible for healthcare.gov coverage.) These individuals' health insurance premiums are largely financed by federal premium tax credits, so the federal tax credits will decline about $270 million per year. All told, we estimate a net increase in federal revenue to South Carolina of $2.65 billion 2026, $2.88 billion in 2027 and $2.63 billion in 2028. Those shifting from healthcare.gov to Medicaid will generally get health insurance coverage that covers more benefits (e.g., long term care, limited dental) with lower cost-sharing.

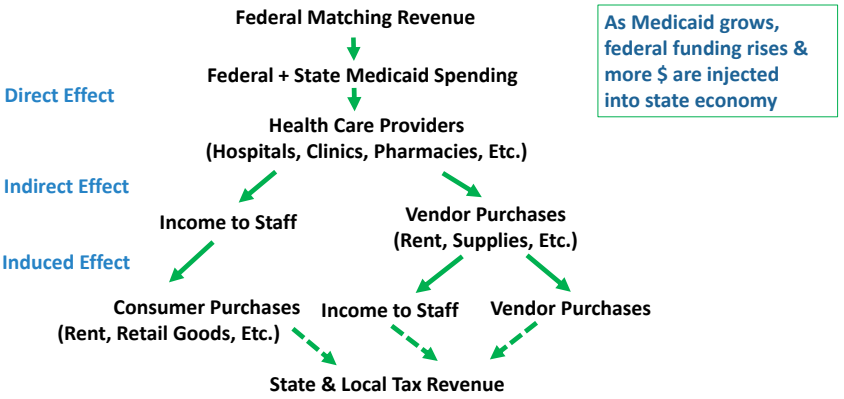
The federal government finances 90% of the match for expansion eligible and 69.53% of the cost for those already eligible; the state of South Carolina is responsible for the remaining share, ranging from $270 million in 2026 to $356 million in 2028. We can view this as an offset to the increase in federal funding, leading to a net change in funds flowing into the state of $2.38 billion in 206, $2.55 billion in 2027, but then dipping to $2.27 billion in 2028. Tables A-1 to A-3 show the net funding change projected for every county from 2026 to 2028.

The increased economic activity and employment gains, discussed below, will lead to higher county and state tax revenues, equivalent to $112 million in 2026 (of which $88.2 million are state taxes), $123 million in 2027 (of which $98.8 million are state taxes) and $110 million in 2028 (of which $86.8 million are state taxes). This is also shown for each county in Tables A-1 to A-3. (The tax estimates were based on data from 2022 contained in the IMPLAN model. In 2022 the state lowered tax rates and issued rebates[17], but the extent to which these changes were captured in IMPLAN's data is not clear. Thus, these estimates might be a little high. We lack data on how county taxes changed.) The overall net fiscal gain to South

[17] South Carolina Dept. of Revenue. South Carolina's 2022 Rebate News. https://dor.sc.gov/rebate-2022

Carolina caused by Medicaid expansion is estimated at $2.5 billion in 2026, $2.7 billion in 2027 and $2.4 billion in 2028, after accounting for the new federal revenue, the state share of expansion costs and state and county tax revenue gains.

Figure 1. How the Multiplier Effect Ripples Thru the Economy



Economic and Employment Impacts. Based on the net change in funding (federal revenue minus state costs), we use IMPLAN's regional economic input-output model to estimate the economic and employment effects from 2026 to 2028.[18] The model essentially estimates the "multiplier effect" of adding additional federal Medicaid revenue into South Carolina's economy, in which there are direct, indirect and induced effects on the economy and employment, as illustrated in Figure 1.

The direct effect occurs as Medicaid revenue first goes to health care providers, like hospitals, ambulatory care clinics, drug stores and long-term care facilities, such as home health agencies. That increases their revenues and permits them to increase employment. The indirect effect occurs next as the health care providers use their new revenue to employ staff and pay for goods like rent, medical supplies, IT systems, etc. The induced effect occurs as staff use their wages and income to purchase consumer goods like food and transportation and to meet expenses like rent, mortgages or utilities and as businesses in turn hire staff and purchase more goods. Finally, greater income for individuals and businesses lead to higher county and state tax revenues (see Table 3).

The state-wide effects for South Carolina are summarized in Table 4. All told, South Carolina's economic output grows by $3.95 billion in 2026, $4.32 billion in 2027 and by $3.85 billion in 2028, compared to baseline economic output without a Medicaid expansion. The number of people employed rises by about 28,000 in 2026, almost 31,000 in 2027 and more than 27,000 in 2028. More than half of the employment growth occurs in the health sector (e.g., hospitals, clinics, pharmacies, long-term care and related activities) and about one-third occurs in non-health areas like construction, real estate, retail, wholesale, agriculture, manufacturing, etc. County-specific estimates are shown in Tables A-1 to A-3. They indicate that economic and employment grows (as well as county- and state-tax revenues) in each county in South Carolina, both urban and rural.

Table 4. Summary of State-Level Economic and Employment Effects of Medicaid Expansion in South Carolina, 2026-2028. (Compared to non-expansion baseline)

Description	2026	2027	2028
Total State Economic Output Gain (millions of $)	**$3,952**	**$4,318**	**$3,853**
Total State Employment Gain	**28,048**	**30,695**	**27,446**
Heatlh Employment	18,453	20,190	18,050
Non-health Employment	9,596	10,505	9,396

Source: IMPLAN analysis

[18] https://implan.com/

County-level Estimates. The statewide results, shown above, are based on the statewide sum of county-specific estimates, driven by differences in the number of people enrolled in Medicaid and the average expenditures per Medicaid beneficiary. Table 5 illustrates some of the county-specific estimates by highlighting values for South Carolina's five largest counties (by population) and the estimates of growth that would occur if Medicaid eligibility expanded in 2026.

Table 5. Estimates for the Five Largest Counties in South Carolina, 2026

		Gains in: (Compared to Baseline)			
County	Major City	Medicaid Enrollment	Economic Ouput (mil. $)	Total Employment	County & State Tax Revenue (mil $)
Greenville Co.	Greenville	21,409	$202.3	2,521	$10.5
Richland Co.	Columbia	20,516	$198.1	2,425	$9.9
Charleston Co.	Charlesston	15,519	$141.0	1,655	$6.4
Horry Co.	Myrtle Beach	18,271	$160.8	1,838	$8.6
Spartanburg Co.	Spartanburg	16,223	$162.3	1,913	$7.8

In 2026, Medicaid enrollment would grow between 15,500 and 21,400 in each of the five counties. These are increases in total enrollment, compared to Medicaid enrollment in each county if Medicaid eligibility was not increased. Even more people would gain comprehensive Medicaid benefits, because many of those who have Medicaid family planning benefits will become eligible for full coverage.

The economies of these counties would be between $141 and $202 million (nominal dollars) larger in 2026 because of the Medicaid expansion. This, in turn, would trigger gains in the number of people employed, rising by more than 1,600 to 2,500 per county, of which about two-thirds would be in health care and one-third in other business sectors. The growth in economic activity and employment would lead to increases in the level of county and state taxes that would be collected. (These estimates do not assume changes in tax rates; they are caused by increases in the personal and business income in the counties.)

While these estimates are for five large counties, gains will occur in all South Carolina counties, urban or rural, from the Blue Ridge to the Atlantic Coast, because there are Medicaid enrollees and uninsured residents who need health care in every part of the state. For example, in two smaller urban and two larger rural counties, in 2026 Medicaid expansion would mean:

- Sumter County would gain over 7,000 Medicaid beneficiaries, its economy would grow by over $100 million and 700 more people would have jobs.
- Beaufort County would gain about 6,000 Medicaid enrollees; its county economy would rise by over $80 million and more than 550 jobs would be created.
- In Oconee County, 3,600 more residents would have Medicaid coverage, the county economy would grow by more than $50 million and almost 400 more people would be employed.
- Orangeburg County could serve more than 6,000 Medicaid beneficiaries, the county's economic output would grow almost $100 million and over 700 more would be employed.

More detailed estimates, for all 46 South Carolina counties are shown in Tables A-1 to A-3. The Appendix also describes the methodology in more detail.

Limitations. All estimates in this report are projections which are inherently limited by our ability to foresee all the economic, social and policy changes that might occur over the next few years. They are based on historical data and reasonable assumptions as defined by current laws and policies and general trends in cost increases and population growth. The estimates in this report are measured as differences from a "baseline" rate of what would occur if Medicaid eligibility did not expand. Thus, if South Carolina's 2026 actual unemployment rate is a little higher or lower from that of 2024, we expect employment changes caused by Medicaid expansions to grow about the same magnitude relative to the actual 2026 rate because we are estimating the effect of increasing federal funds into the state economy at that point in time.

The appendix describes the data and our assumptions in more detail. While we cannot be sure of the exact number of people who would be covered by Medicaid in each county or the specific economic or employment consequences, these estimates represent a fair and unbiased set of projections, developed using current policies, standard projection methods and the economic data and assumptions that are built into the IMPLAN model.

Table A-1. County-Level Estimates of Effects of South Carolina Medicaid Expansion in 2026
(Gains compared to non-expansion baseline)

COUNTY NAME	Medicaid Enrollees (#)	Net Federal Funds (million $)	Economic Output (million $)	Total Employment (#)	Health Employment (#)	Non-Health Employment (#)	County & State Tax Revenue (thousand $)
ABBEVILLE *	1,262	$11.8	$18.2	164	123	40	$550
AIKEN	8,760	$78.5	$120.6	864	604	259	$3,243
ALLENDALE *	619	$5.9	$8.6	74	54	20	$233
ANDERSON	9,723	$93.7	$149.6	1,136	770	366	$4,457
BAMBERG *	969	$9.3	$15.5	123	79	44	$438
BARNWELL *	1,693	$14.7	$22.7	186	133	52	$662
BEAUFORT	6,011	$51.6	$83.1	569	380	189	$2,162
BERKELEY	9,905	$88.3	$157.5	1,167	783	384	$4,020
CALHOUN	729	$7.3	$9.3	78	54	24	$295
CHARLESTON	15,519	$141.0	$257.9	1,655	1,038	617	$6,354
CHEROKEE *	3,436	$31.2	$45.2	373	279	94	$1,235
CHESTER	2,405	$20.3	$32.0	253	192	61	$888
CHESTERFIELD *	3,060	$27.3	$40.4	298	210	87	$1,144
CLARENDON *	2,216	$20.2	$33.9	275	189	86	$1,056
COLLETON *	2,996	$26.0	$42.5	303	203	100	$1,260
DARLINGTON	4,588	$41.7	$67.0	484	327	157	$1,891
DILLON *	2,677	$25.0	$38.0	281	195	85	$1,259
DORCHESTER	7,269	$70.6	$118.7	810	509	301	$3,241
EDGEFIELD	1,248	$11.1	$16.2	122	90	33	$392
FAIRFIELD	1,371	$13.2	$23.8	217	156	61	$650
FLORENCE	9,518	$91.1	$157.5	1,124	728	396	$5,047
GEORGETOWN *	3,307	$31.1	$51.0	343	219	125	$1,458
GREENVILLE	21,409	$202.3	$377.2	2,521	1,531	990	$10,574
GREENWOOD *	4,035	$34.4	$54.4	413	285	127	$1,615
HAMPTON *	1,390	$13.1	$20.5	186	145	41	$604
HORRY	18,271	$160.8	$268.6	1,838	1,176	662	$8,628
JASPER	1,778	$14.7	$21.8	153	113	40	$559
KERSHAW	3,663	$32.5	$54.7	391	254	137	$1,661
LANCASTER	4,328	$36.4	$56.0	392	288	104	$1,601
LAURENS	3,767	$36.3	$60.1	457	312	145	$1,746
LEE *	1,186	$11.6	$19.1	157	109	47	$603
LEXINGTON	13,205	$117.1	$211.4	1,440	886	555	$5,824
MARION *	2,605	$24.2	$41.0	351	244	107	$1,269
MARLBORO *	2,040	$17.9	$26.5	228	178	50	$777
MCCORMICK *	385	$3.7	$5.1	38	28	9	$121
NEWBERRY *	2,216	$19.3	$31.3	234	158	77	$902
OCONEE *	3,684	$35.7	$54.3	393	275	118	$1,637
ORANGEBURG *	6,390	$57.3	$95.7	730	468	262	$2,606
PICKENS	5,252	$48.9	$80.0	550	351	198	$2,200
RICHLAND	20,516	$198.1	$366.3	2,425	1,471	953	$9,914
SALUDA	1,126	$8.9	$14.3	126	92	34	$442
SPARTANBURG	16,223	$162.3	$271.6	1,913	1,255	657	$7,787
SUMTER	7,027	$62.4	$102.7	729	479	250	$3,151
UNION	1,732	$16.0	$24.6	190	137	52	$690
WILLIAMSBURG *	2,207	$21.4	$34.3	271	187	83	$1,076
YORK	11,158	$97.5	$151.1	1,026	714	312	$3,994

*Rural County according to SC Center for Rural and Primary Healthcare, Aug.2020.
Source: IMPLAN analysis

Table A-2. County-Level Estimates of Effects of South Carolina Medicaid Expansion in 2027.
(Gains compared to non-expansion baseline)

COUNTY NAME	Medicaid Enrollees (#)	Net Federal Funds (million $)	Economic Output (million $)	Total Employment (#)	Health Employment (#)	Non-Health Employment (#)	County & State Tax Revenue (thousand $)
ABBEVILLE *	1,284	$12.8	$19.8	179	135	44	$603
AIKEN	8,907	$85.8	$131.8	945	661	284	$3,559
ALLENDALE *	629	$6.5	$9.4	81	59	22	$256
ANDERSON	9,885	$102.4	$163.4	1,243	842	401	$4,890
BAMBERG *	986	$10.1	$16.9	135	87	48	$481
BARNWELL *	1,721	$16.1	$24.8	203	146	57	$726
BEAUFORT	6,111	$56.4	$90.8	623	416	207	$2,372
BERKELEY	10,071	$96.5	$172.1	1,277	857	420	$4,411
CALHOUN	741	$8.0	$10.2	86	59	27	$324
CHARLESTON	15,779	$154.0	$281.7	1,811	1,136	675	$6,972
CHEROKEE *	3,494	$34.1	$49.4	408	305	103	$1,355
CHESTER	2,445	$22.2	$35.0	277	210	67	$974
CHESTERFIELD *	3,111	$29.8	$44.1	326	230	96	$1,256
CLARENDON *	2,254	$22.1	$37.0	301	206	95	$1,158
COLLETON *	3,046	$28.4	$46.4	332	222	110	$1,383
DARLINGTON	4,665	$45.6	$73.2	529	357	172	$2,075
DILLON *	2,722	$27.3	$41.6	307	214	93	$1,382
DORCHESTER	7,391	$77.1	$129.7	887	557	330	$3,557
EDGEFIELD	1,269	$12.1	$17.7	134	98	36	$430
FAIRFIELD	1,394	$14.4	$26.0	238	171	67	$713
FLORENCE	9,679	$99.5	$172.1	1,230	797	434	$5,538
GEORGETOWN *	3,363	$34.0	$55.7	376	239	137	$1,600
GREENVILLE	21,767	$221.0	$412.1	2,759	1,675	1,084	$11,603
GREENWOOD *	4,101	$37.6	$59.5	452	312	140	$1,772
HAMPTON *	1,414	$14.3	$22.4	204	159	45	$663
HORRY	18,579	$175.7	$293.5	2,012	1,287	725	$9,467
JASPER	1,808	$16.0	$23.9	168	124	44	$614
KERSHAW	3,724	$35.5	$59.7	428	278	150	$1,823
LANCASTER	4,400	$39.8	$61.2	429	315	114	$1,757
LAURENS	3,829	$39.7	$65.6	500	341	158	$1,916
LEE *	1,206	$12.6	$20.9	172	120	52	$662
LEXINGTON	13,424	$128.0	$231.0	1,576	969	607	$6,391
MARION *	2,649	$26.4	$44.8	384	267	118	$1,392
MARLBORO *	2,074	$19.6	$29.0	250	195	55	$852
MCCORMICK *	391	$4.1	$5.6	42	31	10	$133
NEWBERRY *	2,253	$21.1	$34.2	256	172	84	$989
OCONEE *	3,747	$39.0	$59.3	430	301	129	$1,796
ORANGEBURG *	6,497	$62.6	$104.6	799	512	287	$2,860
PICKENS	5,340	$53.5	$87.4	602	385	217	$2,414
RICHLAND	20,861	$216.4	$400.3	2,653	1,610	1,044	$10,879
SALUDA	1,145	$9.7	$15.7	138	101	37	$485
SPARTANBURG	16,495	$177.4	$296.8	2,093	1,374	719	$8,545
SUMTER	7,144	$68.2	$112.2	798	524	274	$3,458
UNION	1,761	$17.5	$26.9	208	150	57	$758
WILLIAMSBURG *	2,245	$23.3	$37.5	296	205	91	$1,181
YORK	11,344	$106.6	$165.1	1,123	781	342	$4,383

*Rural County according to SC Center for Rural and Primary Healthcare, Aug.2020.
Source: IMPLAN analysis

Table A-3. County-Level Estimates of Effects of South Carolina Medicaid Expansion in 2028.
(Gains compared to non-expansion baseline)

COUNTY NAME	Medicaid Enrollees (#)	Net Federal Funds (million $)	Economic Output (million $)	Total Employment (#)	Health Employment (#)	Non-Health Employment (#)	County & State Tax Revenue (thousand $)
ABBEVILLE *	1,305	$11.5	$17.8	161	121	40	$544
AIKEN	9,053	$76.7	$118.4	851	596	256	$2,633
ALLENDALE *	640	$5.4	$8.0	69	50	19	$132
ANDERSON	10,047	$90.4	$145.0	1,106	749	357	$3,740
BAMBERG *	1,002	$8.6	$14.4	115	74	41	$293
BARNWELL *	1,749	$13.8	$21.4	176	127	50	$514
BEAUFORT	6,211	$50.9	$82.4	567	378	188	$1,674
BERKELEY	10,236	$88.8	$159.1	1,184	794	390	$3,307
CALHOUN	753	$7.0	$9.0	76	52	24	$189
CHARLESTON	16,040	$135.3	$249.0	1,603	1,005	598	$4,851
CHEROKEE *	3,551	$30.7	$44.6	370	276	93	$1,058
CHESTER	2,485	$19.8	$31.3	249	189	60	$623
CHESTERFIELD *	3,161	$26.3	$39.0	289	204	85	$879
CLARENDON *	2,291	$19.2	$32.4	264	181	83	$735
COLLETON *	3,096	$25.4	$41.7	299	200	99	$895
DARLINGTON	4,742	$40.6	$65.5	475	321	155	$1,500
DILLON *	2,767	$24.5	$37.6	278	193	85	$975
DORCHESTER	7,513	$69.3	$117.1	803	504	299	$2,551
EDGEFIELD	1,290	$10.9	$16.0	121	89	32	$325
FAIRFIELD	1,418	$12.5	$22.6	207	149	58	$346
FLORENCE	9,840	$86.5	$150.3	1,078	698	380	$3,865
GEORGETOWN *	3,419	$30.2	$49.7	336	214	122	$1,037
GREENVILLE	22,125	$192.9	$362.2	2,425	1,472	953	$8,603
GREENWOOD *	4,168	$33.1	$52.6	400	277	124	$1,231
HAMPTON *	1,437	$12.7	$19.9	182	142	40	$387
HORRY	18,887	$161.7	$271.5	1,865	1,193	672	$6,646
JASPER	1,837	$14.2	$21.3	150	111	39	$399
KERSHAW	3,785	$31.6	$53.4	383	249	134	$1,361
LANCASTER	4,471	$35.8	$55.3	389	286	104	$1,137
LAURENS	3,891	$32.9	$54.6	417	285	132	$1,228
LEE *	1,226	$10.9	$18.2	150	104	45	$371
LEXINGTON	13,643	$113.8	$206.6	1,412	868	544	$4,748
MARION *	2,692	$23.1	$39.5	339	236	104	$912
MARLBORO *	2,109	$17.2	$25.6	221	172	49	$569
MCCORMICK *	398	$3.4	$4.7	35	26	9	$67
NEWBERRY *	2,290	$18.6	$30.3	228	153	75	$636
OCONEE *	3,810	$35.2	$53.8	391	273	117	$1,262
ORANGEBURG *	6,605	$55.2	$92.8	710	455	255	$1,982
PICKENS	5,428	$47.5	$78.0	539	344	194	$1,791
RICHLAND	21,206	$190.3	$354.4	2,351	1,426	925	$7,498
SALUDA	1,163	$8.3	$13.5	119	87	32	$251
SPARTANBURG	16,767	$158.6	$266.7	1,886	1,238	649	$6,408
SUMTER	7,262	$60.5	$100.0	713	468	245	$2,387
UNION	1,790	$15.3	$23.6	183	132	51	$493
WILLIAMSBURG *	2,282	$20.0	$32.2	255	177	79	$699
YORK	11,529	$96.3	$149.8	1,023	711	311	$3,223

*Rural County according to SC Center for Rural and Primary Healthcare, Aug.2020.
Source: IMPLAN analysis

Appendix: Technical Details

Medicaid Participation and Expenditures. We began by requesting data from the South Carolina Department of Health and Human Services (SCDHHS, which administers Medicaid or Healthy Connections) for county-level Medicaid enrollment by eligibility category for state fiscal year 2019-2020 and average annual Medicaid expenditures by eligibility category in state fiscal year 2022-23.

We asked for SFY 2019-20 enrollment levels, knowing that Medicaid enrollment increased greatly between 2020 and 2023 because of the moratorium on Medicaid disenrollment related to the Families First Coronavirus Response Act. This ended in March 2023 and in April 2023, South Carolina, like all other states, began the Medicaid "unwinding process" of redetermining Medicaid eligibility for everyone and terminating coverage for those that it could not determine to still be eligible. Data reported by June 2024 indicate that about 334,000 South Carolina Medicaid beneficiaries had coverage terminated and 646 thousand had coverage renewed, with thousands of others yet to be fully processed, according to the Kaiser Family Foundation.[19] South Carolina is supposed to complete all of its unwinding process by August 2024.[20] By the time unwinding is completed, more are likely to lose coverage. We requested 2019-20 enrollment, expecting that post-pandemic enrollment will return close to pre-pandemic enrollment levels. Our baseline estimates assume that the number of enrollees would grow modestly, about 1.5% per year, corresponding to overall state population growth trends. Our estimates of the average federal Medicaid expenditures per enrollee between 2023 and 2028 as estimated by the Congressional Budget Office in its May 2023 Medicaid baseline estimates, which account for anticipated changes in Medicaid payment and utilization levels.[21]

We project changes in Medicaid enrollment after Medicaid expansion, considering pre-expansion enrollment, eligibility levels and the experience of other states that expanded eligibility. We do not assume that all eligible people participate; the experience of other states indicates that a significant fraction do not participate even though they appear to be eligible. Our estimates of the gains are similar to earlier estimates of expansions for South Carolina,[22] [23] except that the earlier estimates were based on the number of people eligible for full benefits, while the official SCDHHS estimates we received included a large number of Medicaid beneficiaries who receive only partial benefits, particularly including about 176,000 receiving family planning benefits only. We assume that the family planning recipients can be shift into full eligibility for comprehensive insurance coverage once the expansion occurs if their incomes are below 138 percent of poverty, while those with higher incomes continue to get family planning benefits only.[24] Thus, in Table 2 we present two estimates of the change in the number of Medicaid enrollees. In the county-specific tables,

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[19] Kaiser Family Foundation. Medicaid Enrollment and Unwinding Tracker, as of June 4, 2024. https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-overview/ [Accessed June 13, 2024].

[20] CMS. Scheduled State Timelines for Completing Unwinding-Related Renewals. Preliminary Analysis as of May 2024. https://www.medicaid.gov/resources-for-states/downloads/sst-cmpltng-unwndng-rnwls-prlmnry-anlys-05312024.pdf

[21] Congressional Budget Office. Medicaid Baseline as of May 2023. https://www.cbo.gov/system/files/2023-05/51301-2023-05-medicaid.pdf

[22] Buettgens M, Ramachandan U. 2.3 Million People Would Gain Health Coverage in 2024 if 10 States Were to Expand Medicaid Eligibility. Urban Institute. Oct. 2023. https://www.urban.org/research/publication/23-million-people-would-gain-health-coverage-2024-if-10-states-were-expand

[23] Ku L, Brantley E. The Economic and Employment Effects of Medicaid Expansions Under the American Rescue Plan. Commonwealth Fund. May 21, 2021. https://www.commonwealthfund.org/publications/issue-briefs/2021/may/economic-employment-effects-medicaid-expansion-under-arp?utm_source=alert&utm_medium=email&utm_campaign=Medicaid.

[24] This is similar to what happened when North Carolina expanded Medicaid coverage; it also had a large family planning benefit program. Personal communication, Emma Sandoe, North Carolina Dept of Health Benefits, Nov. 2023.

we present the net increase in total enrollment, which assumes that many receiving family planning benefits shift into full coverage, so the increase in enrollment appears somewhat smaller.

Other Changes in Federal or State Funding. Using the 5-percentage point increase in federal funding under the American Rescue Plan, we estimated the non-expansion costs of the program in 2026 and 2027 to estimate the value of the temporary two-year federal bonus payments. We estimated losses in the number of people covered by the federal health insurance marketplace (healthcare.gov) with incomes between 100 and 138 percent of poverty and the value of the premium tax credits for low-income individuals. We note that premium tax credits were enhanced under the American Rescue Plan, but the enhancements are scheduled to expire in 2025. To be consistent with current law, we assume a lower value of tax credits lost after 2025.

Finally, we estimate the value of state matching funds that correspond to increases in the number of adult and child enrollees, using a 10% state matching rate for newly eligible adults and 30.47% matching rate for those newly enrolled but previously eligible.

Our estimates of the multiplier impact of Medicaid expansion are based on increases that would occur only due to the increase in federal funds, recognizing that state matching funds could be used in some other way that might also have a multiplier effect. Thus, to discount the additional contribution of states funds needed to match federal Medicaid funding, we subtract the state matching costs from the net change in federal funding (including expansion matching funds, temporary ARP bonus payments and the loss of federal premium tax credits). These amounts, shown in Table 2 as the Net Change (Federal Revenue Less State Costs) are the basis for the additional expenditures used in the IMPLAN analysis, The county-level equivalents for 2026, 2027 and 2028 are shown in Tables A-1 to A-3 as the Net Federal Funds and are used to estimate economic and employment impacts using IMPLAN analyses.

IMPLAN Multiplier Analyses. The IMPLAN estimates were generated by staff at Capital Link using the recent version of IMPLAN, which includes economic updates as of November 2023, which are based on 2022 data.[25] The estimated net increase in federally-funded health expenditures were partitioned into four types of health expenses: those in the hospital sector, ambulatory care sector, pharmacy sector and long-term care sector, corresponding to NAICS sectors 490, 486, 407 and 488, using proportions of Medicaid expenditures adapted from National Health Expenditure data.[26]

As noted, before, IMPLAN use regional economic input-output methods which track flows of funds across multiple economic sectors in each county, estimating the direct, indirect and induced contributions to economic and employment growth triggered by changes in the net federal financial inputs. IMPLAN is a static model, and these were estimated for values in 2026, 2027 and 2028, using the Multi-Region Input Output methodology.[27] This method adjusts for flows of funds across county borders into adjacent areas within the state. That is, some economic output may flow out of a county because some workers live or purchase goods in another county, but these are often offset by funds flowing into that county from other adjacent counties. The IMPLAN models account for leakage of some economic output related to pharmaceutical products; many medications are produced in other states or even other countries, so only a portion of the economic impact of higher sales is felt within South Carolina.

[25] IMPLAN. 2022 U.S. Data Release Notes. https://support.implan.com/hc/en-us/articles/20747773412379-2022-U-S-Data-Release-Notes

[26] Centers for Medicaid and Medicaid Services. National Health Expenditures. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet#:~:text=Historical%20NHE%2C%202022%3A,18%20percent%20of%20total%20NHE.

[27] IMPLAN. MRIO: Introduction to Multi-Regional Input-Output Analysis. https://support.implan.com/hc/en-us/articles/115009713448-MRIO-Introduction-to-Multi-Regional-Input-Output-Analysis