The Economic Impact of
South Carolina’s Community Health Centers
For more than 50 years, U.S. health centers have delivered comprehensive, high-quality preventive and primary health care to patients regardless of their ability to pay, becoming one of the largest safety net systems in the country.

South Carolina health centers have been no exception. In 2015, 21 South Carolina health centers provided care to many of the most underserved members of their communities through 165 sites. In addition to providing quality care, South Carolina health centers generated positive economic impacts, including jobs, tax revenues and savings to the health care system.

**Patients Served**
- 364,466 Patients
- 1,366,254 Patient Visits

**Patient Profile**
- 36% Medicaid
- 91% Medicare
- 29% Under 200% Poverty
- 20% Privately Insured

**Cost Savings**
- $460.3 Million Annually

**Employment**
- 4,396 Total Jobs
- 1,511 Non-Direct
- 2,885 Direct

**Total Economic Impact**
- $473,424,946 Annually
- $305,070,789 Direct
- $168,354,257 Non-Direct

**Total Tax Revenue**
- $58.0 Million Annually
- $40.9 Million Federal
- $17.1 Million State & Local
COMMUNITY IMPACT

Community health centers provide high quality, cost-effective, patient-centered care to vulnerable populations. Health centers serve 1 in 7 Medicaid beneficiaries, almost 1 in 3 individuals in poverty, and 1 in 5 low-income, uninsured persons. Nationally, two-thirds of health center patients are members of racial or ethnic minorities, which places health centers at the center of the national effort to reduce racial disparities in health care.¹

Recent studies show that, on average, each patient receiving care at a health center saved the health care system 24%, annually.⁴ With 364,466 patients served by community health centers in South Carolina State in 2015, the estimated annual savings is $460.3 million at $1,263 saved per patient.⁵

Distribution of Population

<table>
<thead>
<tr>
<th>Under 100% Poverty</th>
<th>Under 200% Poverty</th>
<th>Uninsured</th>
<th>Medicaid</th>
<th>Medicare</th>
<th>Privately Insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCA Population</td>
<td>National Population</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>74%</td>
<td>71%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91%</td>
<td>92%</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>29%</td>
<td>28%</td>
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<tr>
<td>36%</td>
<td>46%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14%</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>20%</td>
<td>16%</td>
<td></td>
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</tr>
</tbody>
</table>

Summary of 2015 Total Economic Activity

Stimulated by 21 of South Carolina’s Community Health Centers’ Current Operations

<table>
<thead>
<tr>
<th>Economic Impact</th>
<th>Employment (# of FTEs*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$305,070,789</td>
<td>2,885</td>
</tr>
<tr>
<td>$52,497,951</td>
<td>475</td>
</tr>
<tr>
<td>$115,856,206</td>
<td>1,036</td>
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<tr>
<td>$473,424,946</td>
<td>4,396</td>
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</table>

Direct # of FTEs (employment) based on HRSA 2015 UDS state level data for FQHCs.

Summary of South Carolina CHCs’ 2015 Tax Revenue

<table>
<thead>
<tr>
<th>Federal</th>
<th>State/Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td></td>
</tr>
<tr>
<td>$28,552,199</td>
<td>$6,489,554</td>
</tr>
<tr>
<td>Indirect</td>
<td></td>
</tr>
<tr>
<td>$3,931,761</td>
<td>$2,656,618</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>$32,483,960</td>
<td>$9,146,172</td>
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</table>

Non-Direct

<table>
<thead>
<tr>
<th>Federal</th>
<th>State/Local</th>
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</thead>
<tbody>
<tr>
<td>Direct</td>
<td></td>
</tr>
<tr>
<td>$8,386,766</td>
<td>$8,386,766</td>
</tr>
<tr>
<td>Indirect</td>
<td></td>
</tr>
<tr>
<td>$3,931,761</td>
<td>$2,656,618</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>$12,318,527</td>
<td>$17,043,436</td>
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</tbody>
</table>

Total Tax Impact

| $57,946,515 |

*Full-time Equivalent (FTE) of 1.0 means that the person is equivalent to a full-time worker. In an organization that has a 40 hour work week, a person who works 20 hours per week (i.e. 50 percent time) is reported as “0.5 FTE.” FTE is also based on the number of months the employee works. An employee who works full time for four months out of the year would be reported as “0.33 FTE” (4 months/12 months).
HOW ECONOMIC IMPACT IS MEASURED

Using IMPLAN, integrated economic modeling software, this analysis applies the “multiplier effect” to capture the direct, indirect, and induced economic effects of health center business operations and capital project plans. IMPLAN generates multipliers by geographic region and by industry combined with a county/state database. It is widely used by economists, state and city planners, universities and others to estimate the impact of projects and expenditures on the local economy. This analysis was conducted using IMPLAN Version 3, Trade Flows Model.

WHAT ARE DIRECT, INDIRECT AND INDUCED IMPACTS?

Direct impacts result from health center expenditures associated with expanded operations, new facilities, and hiring.

A health center purchases medical devices from a local medical supply store. This purchase is a direct economic impact of the health centers expanded operations.

Indirect impacts result from purchases of local goods and services, and jobs in other industries.

The medical supply store purchases paper from an office supply store to print receipts and hires a local delivery service to transport the medical devices. These purchases are indirect economic impacts of the health centers expanded operations.

Induced impacts result from purchases of local goods and services at a household level made by employees of the health center and suppliers.

As local industries grow and household income increases, employees of the health center, medical supply store, office supply store, and delivery service spend their salaries in the community. These purchases are induced economic impacts because they are the result of growth of the entire community.
22 SOUTH CAROLINA COMMUNITY HEALTH CENTERS INCLUDED IN ANALYSIS

Affinity Health Center
Beaufort-Jasper Hampton Comprehensive Health Services, Inc.
Care-Net of Lancaster, Inc.
CareSouth Carolina, Inc.
Carolina Health Centers, Inc.
Community Medicine Foundation, Inc.
Eau Claire Cooperative Health Center, Inc.
Family Health Centers, Inc.
Fetter Health Care Network, Inc.
Foothills Community Health Care, Inc.
Genesis Health Care, Inc.
Health Care Partners of SC, Inc.
HopeHealth, Inc.
Little River Medical Center, Inc.
Low Country Health Care System, Inc.
New Horizon Family Health Services, Inc.
ReGenesis Health Care, Inc.
Rural Health Services, Inc.
Sandhills Medical Foundation, Inc.
South Carolina Primary Health Care Assn. (SC Migrant Health Program)
St. James- Santee Family Health Center, Inc.
Sumter Family Health Center, Inc.

REFERENCES


SOURCES

This report was created with 2015 UDS Files in cooperation with South Carolina Primary Health Care Association.

ABOUT CAPITAL LINK

Capital Link is a non-profit organization that has worked with hundreds of health centers and Primary Care Associations for over 15 years to plan capital projects, finance growth and identify ways to improve performance. We provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit us online at www.caplink.org.