

Healthy Hospitals = Healthy Communities

Measuring the Impact of Hospitals on South Carolina's Health, Economic Prosperity, and Quality of Life



A REPORT FROM THE SC
HOSPITAL ASSOCIATION

SCHA
SC HOSPITAL ASSOCIATION
A Better State of Health

Every day, 24 hours a day, South Carolina hospitals provide vital, life-saving medical care to the people in their communities. The value of a life saved, a baby delivered, or quality of life restored cannot be quantified. But there are numbers that demonstrate the wide-reaching impact of hospitals on their communities and the State of South Carolina, and they are impressive. Equally, if not more, important are metrics that speak to healthcare quality. In 2024 state health rankings by US News & World Report, South Carolina ranks 10th in healthcare quality and 13th in hospital quality.

As a service to our state, the South Carolina Hospital Association is providing this report to share the quantifiable contributions of our hospitals – and the broader healthcare industry – to a healthy population, a thriving workforce, and a strong economy.

We're proud of our hospitals and the healthcare heroes who work there. We also recognize and sincerely appreciate the many partners whose support helps keep our hospitals strong: state, federal and local elected leaders, public health agencies, schools and colleges, donors, hospital board members, community organizations, and many more.

Sincerely,
Thornton Kirby, FACHE
CEO and President, SCHA

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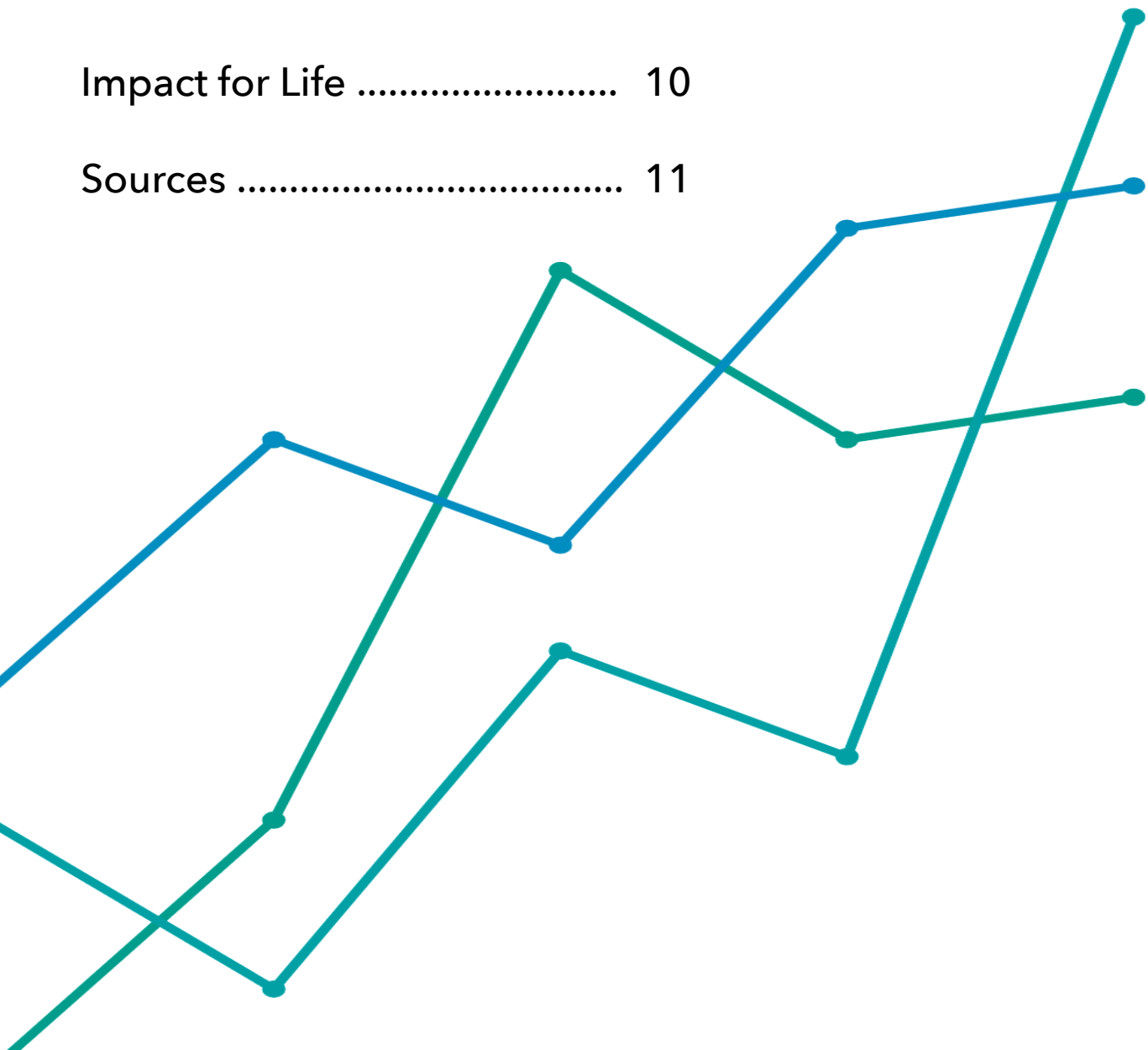
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IMPACT OF SOUTH CAROLINA HOSPITALS: EXECUTIVE SUMMARY

ECONOMIC IMPACT



The impact of hospital expenditures reflects an input-output multiplier of 1.9. In other words, **for every dollar of spending by a hospital**, there is an *additional impact of \$0.90* on the South Carolina economy, for **A TOTAL OF IMPACT OF \$1.90**.



Quality of life - including quality of healthcare - plays a key role in recruiting new industries and economic investments to South Carolina.

Hospitals contribute significantly to influential national rankings.

In the US News & World Report of state health rankings, South Carolina ranks **10th in healthcare quality and 13th in quality of hospitals**.



WORKFORCE IMPACT

203,000+ Workers
\$13.2B Labor income

- **203,093** total jobs statewide- 103,108 direct effect, 52,458 indirect effect, & 47,528 induced
- **\$13,243,352,836** labor income generated
- Hospitals account for **27.6 percent** of all healthcare employment
- There is almost a **1 to 1 multiplier effect**, with each job created by a hospital generating another job in the local economy.



Healthcare and Social Assistance is South Carolina's
LEADING INDUSTRY EMPLOYER,
accounting for
13.2 % of South Carolina's total workforce
- more than retail, accommodations & hospitality,
manufacturing, or education.

Employment in the *healthcare & social assistance* sector
is projected to grow by **17.2 percent**
over the next ten years.



Healthcare occupations are projected to
grow by 1.7 percent per year
over the next ten years,
exceeding the annual average growth of
1.2 % for overall South Carolina occupations.

HUMAN IMPACT

1,893,921 individual patients cared for, roughly **35% of the population** of South Carolina

563,571 hospital stays, including **15,539** related to behavioral health

51,309 babies delivered

2,339,787 emergency room visits, including **82,031** related to behavioral health

24,540,700 medical procedures, including **822,124** surgeries

4,029,033 total discharges and visits, including **540,072** for children

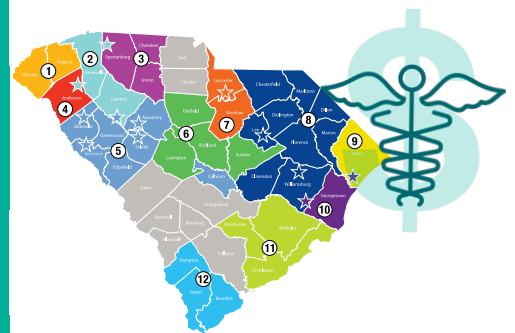
South Carolina hospitals provide care regardless of a patient's ability to pay. In 2024, SC hospitals provided **\$3,214,905,112 in uncompensated and charity care**, according to data from the Centers for Medicare and Medicaid Services.

SCHA's Zero Harm and Access Health programs contribute to an environment of safety, higher reliability and preventive care, helping patients avoid unnecessary hospitalizations and saving millions of dollars annually.

In 2024, 71 SC hospitals participated in SCHA's Zero Harm program, documenting surgical safety measures that led to **2,700 fewer days in the hospital** for patients and **savings of more than \$10 million** in healthcare costs in 2023.



In 2023, SCHA's Access Health community-based networks provided care for more than 304,000 uninsured patients, **avoiding an estimated \$50 million** in emergency and inpatient hospital costs.



South Carolina ranks **5th nationally** in the percentage of hospitals earning an **A grade in safety**, according to the Leapfrog Group, a hospital transparency organization.



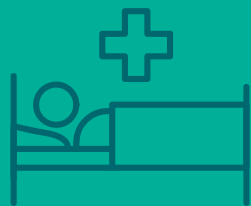


**More than 25.5 million
medical procedures provided**



**More than 822K
surgeries performed**

**51,309
Babies Delivered**



**1,893,921
individual patients cared for**



EMERGENCY VISITS

2,339,787



THE STORY BEHIND THE NUMBERS:

Methodology and Resources

For this report, SCHA commissioned Hanover Research, a comprehensive, national research solutions firm, to conduct two studies: an economic impact analysis and a labor market assessment.

For the economic impact study, Hanover utilized IMPLAN software and supporting data to estimate the economic contributions of hospital facilities to the state of South Carolina. IMPLAN is an economic input-output (I-O) modeling software program offered commercially through IMPLAN Group LLC. The IMPLAN software allows Hanover to apply the appropriate multipliers to all dollars originally spent in an area by a hospital and its employees.

Multipliers account for the fact that a certain percentage of every dollar spent within a local economy remains in the economy and is, in turn, re-spent, generating additional income and expenditures in the process. Hanover also analyzes direct, indirect, and induced effects of spending in terms of employment, offering another means of visualizing a hospital's contribution to its surrounding economy. While the latest IMPLAN data available for this analysis was for the 2022 fiscal year, all dollar values in this report are 2024 dollars.

ECONOMIC IMPACT

Hanover's demand-side analysis estimates the effect of spending by 62 SCHA member hospitals on the state of South Carolina using an input-output model to estimate the direct, indirect, and induced effects on South Carolina's economy. The effect represents both the initial spending by hospitals (typically referred to as the direct effect) and the additional economic activity in other areas of the economy triggered by this initial spending (indirect and induced effects).

The impact of hospital expenditures reflects an input-output multiplier of 1.9. In other words, for every dollar of spending by a hospital, there is an additional impact of \$0.90 on the South Carolina economy, or a total impact of \$1.90.

The three types of impact that Hanover reports from IMPLAN results are as follows:

- Gross Output - Total gross value of the hospital association's economic activities.
- Labor Income - All forms of employment income, including employee salary/wages and benefits.
- Employment - Number of jobs (full-time or part-time, not full-time equivalent) created by hospital expenditures.

This analysis yields three distinct types of impacts associated with hospital expenditures:

- Direct Effect: These estimates track initial spending on payroll, operating expenses, and capital investments (new construction and purchases of equipment and software used for more than a year)
- Indirect Effect: These estimates track each dollar of local spending from one business to another until those dollars are spent outside the local economy. For example, Business A purchases a product from Business B, which uses that money to purchase products from Businesses C and D.
- Induced Effect: These estimates track the effects of direct and indirect spending on local, individual household purchases.

WORKFORCE IMPACT

In its labor market analysis, Hanover aimed to identify employment trends in key South Carolina economic sectors and provide insight into occupation demand and industry distribution in the state. The analysis was based on information drawn from publicly available sources and JobsEQ, a proprietary database providing real-time jobs postings and labor data. The report includes a comparison of the healthcare industry with other industries and a review of occupation projections and distribution in the state.

Jobs and projected job growth are key indicators of the vitality of an economic sector. Hospitals are generally among the largest employers in their surrounding area, and the healthcare and social assistance sector is South Carolina's largest employer, outpacing retail, manufacturing, education, or accommodations and hospitality, according to the Hanover report.



Industry sectors are based on the North American Industry Classification System (NAICS), the standard used by federal statistical agencies to classify businesses for the purpose of collecting, analyzing, and publishing data related to the U.S. business economy.

In its economic impact study, Hanover estimates that hospital operating and capital spending supported an estimated 203,093 jobs throughout the state during the 2022 fiscal year. This figure comprises 103,108 jobs supported by direct spending from hospital facilities, as well as 52,458 jobs supported by business-to-business (indirect) and 47,528 jobs supported by household (induced) spending.

Hospital impact on job creation in South Carolina reflects an input-output multiplier of 1.97, meaning that for each job created by hospitals directly there is an additional 0.97 jobs created within the local economy. The indirect employment sectors most impacted by hospital activity are employment services, real estate, full-service and limited-service restaurants, and management consulting services.

Further, healthcare occupations are projected to grow by 1.7 percent per year over the next ten years, exceeding the annual average growth of 1.2 percent for overall South Carolina occupations.

HUMAN IMPACT

South Carolina's Office of Revenue and Fiscal Affairs (RFA) collects data on all inpatient discharges and episodes of outpatient care provided by SC hospitals. The data can provide valuable insight into the impact of hospitals on the quality of life of South Carolinians.

For this report, RFA provided SCHA with data on inpatient general acute care hospital discharges, specialty inpatient hospital discharges (such as behavioral health and physical therapy) and on eight outpatient episodes, including observation, outpatient surgery, imaging, chemotherapy, radiation therapy, emergency department visits, lithotripsy, and outpatient labor and delivery. These eight outpatient episodes are a subset of all outpatient care hospitals provide.

All patients are assigned a unique patient identifier (UPI) to ensure that they have one complete record of information. This also eliminates duplicate counting of patients who have multiple procedures or hospital visits in a single year. The UPIs show that during federal fiscal year 2024 there were nearly 1.9 million distinct patients who had at least one hospital encounter. That is 35% of South Carolina's population.



IMPACT FOR LIFE

Economic and hiring trends are constantly changing, but hospitals will always be here – saving lives, creating jobs, and driving economic growth. Hospitals will adapt to shifting demographics, technological advancements and patient preferences, but they will always be bedrocks of their communities. As South Carolina's population grows and ages, the impact of hospitals can only increase.

According to U.S. Census data, South Carolina added almost half a million residents between 2010 and 2020. From 2010 to 2023, South Carolina's growth rate of 13.86 percent was the 10th fastest in the country. That trend will continue and perhaps accelerate. According to the Consumer Affairs Journal of Consumer Research, South Carolina ranked #2 nationally in net migration growth (more people moving in than out) in 2024.

The population is also aging. The year 2030 marks a demographic turning point, when all baby boomers will be older than 65. Although now second to millennials in size, the baby boom still accounts for more than 70 million people. And according to the Centers for Medicare and Medicaid Services, boomers spend the most of any generation on healthcare.

These statistics add up to even greater demand for hospitals, and the healthcare sector as a whole, in the future.

With continued public support, sound government policies, and a robust workforce pipeline, South Carolina can count on hospitals to keep delivering a better state of health, a high quality of life, and economic prosperity for decades to come.

SOURCES

- Economic Impact Analysis prepared for the SCHA by Hanover Research, November 2024.
- Labor Market Assessment: South Carolina’s Healthcare Industry, prepared for SCHA by Hanover Research, February 2025
- Healthcare Cost Report Information System (HCRIS), Centers for Medicare and Medicaid Services
- SCHA Zero Harm, AccessHealth SC and Data Center programs
- State of South Carolina Office of Revenue and Fiscal Affairs
- Publicly available hospital and health rankings by state
- US Census Bureau data

