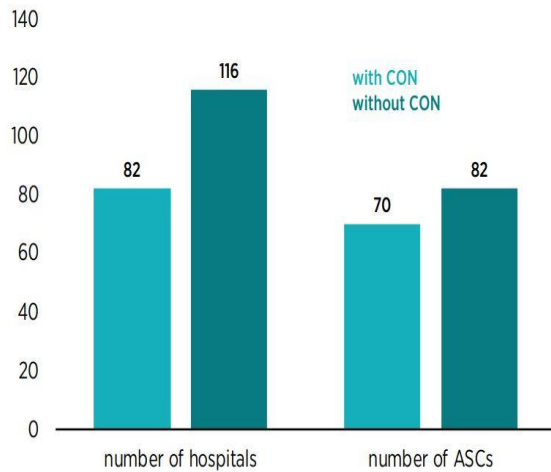


# Certificate of Need's Impact on Rural Healthcare in South Carolina

## 1. Without CON, Access to Healthcare in Rural Areas Will Likely Improve

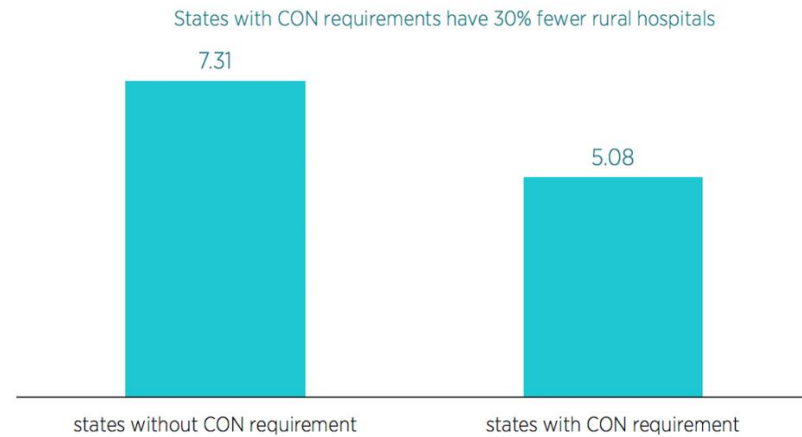
With CON, access to healthcare in rural areas is a problem. Repeal of CON won't fix this problem; the problem is much deeper than that. **But based on peer-reviewed research of the experience of other states, access to healthcare in rural areas could improve.**

FIGURE 1. ESTIMATED DIFFERENCE IN ACCESS TO HEALTHCARE FACILITIES IN A SOUTH CAROLINA WITHOUT CON REGULATION



Sources: Mitchell et al., "Certificate-of-Need Laws: South Carolina State Profile," Mercatus Center at George Mason University, November 11, 2020; Stratmann and Koopman, "Entry Regulation and Rural Health Care."

Average Rural Hospitals per 100,000 Rural Residents



 **MERCATUS CENTER**  
George Mason University

Data note: These figures are derived from a multivariable regression which controls for other factors.  
Source: "Entry Regulation and Rural Health Care: Certificate-of-Need Laws, Ambulatory Surgical Centers, and Community Hospitals," Mercatus Working Paper. Produced by Thomas Stratmann and Christopher Koopman, March 2016.

## 2. With CON, South Carolina has Lost 6 Rural Hospitals since 2010

With CON, 6 rural South Carolina hospitals have closed since 2010<sup>1</sup>— Fairfield Memorial Hospital (25 beds) closed in 2018, Southern Palmetto Hospital (30 beds - Barnwell County) closed in 2016, Marlboro Park hospital (94 beds) closed in 2015, and Bamberg County Memorial Hospital (59 beds) closed in 2012 and two more.

<sup>1</sup> South Carolina Office of Rural Health website, [Rural Hospitals - SC Office of Rural Health \(scorh.net\)](http://scorh.net)

And, according to Center for Healthcare Quality and Payment Reform, 8 hospitals in SC are at risk of closing (or 31%), 5 of which are at risk of immediate closure. Access to rural healthcare in SC is an issue, but **how would CON repeal make access to healthcare worse for residents of these rural counties?**

**3. With CON, 17% of South Carolina’s Counties, all Rural, Do Not Have a Hospital or Ambulatory Surgical Facility**

With CON, Bamberg, Barnwell, Lee, Fairfield, Marlboro, McCormick, Saluda, and Calhoun counties have no hospitals or licensed ambulatory surgical facilities. So, where do these residents go for care?<sup>2</sup>

<u>County</u>	<u>ER</u>	<u>Outpatient</u>	<u>Inpatient</u>
Bamberg	83.5% to Orangeburg	21% to Richland, 10.6% to Lexington, and 34.6% to Orangeburg	17% to Richland and 56.7% to Orangeburg
Barnwell	27.3% to Aiken, 56% to Orangeburg	60.1% to Aiken, 13.6% to Richland	57.3% to Aiken and 17.8% to Orangeburg
Lee	38.6% to Darlington, 2,472 to Florence	17.2% to Darlington, 13.9% to Richland, and 38.8 to Florence	44.6% to Florence, 23.1% to Darlington
Fairfield	**Has a freestanding ER, so 52.4% in county	68.7% to Richland, 15.7% to Lexington	80.9% to Richland
Marlboro	62.3% to Chesterfield, 17.1% to Florence, 15.5% to Dillon	58.5% to Florence, 20.7% to Chesterfield	50.9% to Florence, 32.3 to Chesterfield
McCormick	68.9% to Greenwood, 25.1% to Abbeville	85.1% to Greenwood	85.3% to Greenwood
Saluda	44.6% to Greenwood, 18.8% to Newberry, 15.2% to Lexington	40.2% to Greenwood, 19.6% to Richland, 21.4% to Lexington	46% to Greenwood, 23.1% to Lexington, 11.6% to Richland
Calhoun	69.6% to Orangeburg, 17.6% to Lexington	29.4% to Richland, 26.8% to Orangeburg, 26.4 to Lexington	54% to Orangeburg, 19.2% to Lexington, 19.2% to Richland

**4. With CON, 4 Rural South Carolina Hospitals Receive Extra Support from the Federal Government as Critical Access Hospitals**

In response to over 400 rural hospital closures nationwide during the 1980s and 90s, Congress created the Critical Access Hospital Designation (CAH). This designation is designed to reduce the financial vulnerability of rural hospitals and improve access to healthcare by keeping essential services in rural counties. Four SC hospitals have the CAH designation – Abbeville Medical Center, Allendale County Hospital, Edgefield County Healthcare, and Williamsburg Regional Hospital. This allows them to receive cost-based reimbursement from Medicare (as opposed to the set Medicare rates), flexible staffing and services, capital

<sup>2</sup> All data is 2020 and taken from the South Carolina Revenue and Fiscal Affairs website.

improvement costs included in allowable costs for determining Medicare reimbursement, and access to education resources, technical assistance and/or grants. **Without CON, the federal government’s support of these rural hospitals remains.**

**5. With CON, Patients in Rural Counties with Hospitals are Already Leaving Their County for Outpatient Care, but Staying for ER Care<sup>3</sup>**

<b>County</b>	<b>Hospital</b>	<b>ER Outmigration</b>	<b>Outpatient Procedure Outmigration</b>
Pickens 55 Beds	Prisma and AnMed	38.1% (35,235 in county, 21,670 went outside of county)	82.7% (3,631 in county, 17,416 went outside of county)
Chester 82 beds	MUSC Health Chester Medical Center	40% (12,909 in county, 8,606 went outside of county)	76.9% (968 procedures in county, 3,230 went outside of county)
Dillon 79 beds	McLeod Health Dillon	20.1% (18,887 in county, 4,749 went outside of county)	82.7% (671 procedures in county, 3,198 went outside of county)
Marion 124 beds	MUSC Health Marion Medical Center	33.6% (15,209 in county, 7,706 went outside of county)	71.2% (1,506 procedures in county, 3,724 went outside of county)
Orangeburg 286 beds	Regional Medical Center/County	29.1% (34,551 in county, 14,215 went outside of county)	70.5% (3,258 procedures in county, 7,778 went outside of county)
Abbeville 25 beds	Abbeville Area Medical Center	37.5% (7,028 in county, 4,223 went outside of county)	78.9% (1,072 in county, 4,003 went outside of county)

<sup>3</sup> All data is 2020 and taken from the South Carolina Revenue and Fiscal Affairs website.

Allendale 25 beds	Allendale County Hospital	23.6% (5,472 in county, 1,687 went outside of county)	95.3% (47 in county, 943 went outside of county)
Jasper 41 beds	Coastal Carolina Hospital	27.8% (10,463 in county, 4,033 went outside of county)	66.5% (861 in county, 1,709 went outside of county)
Edgefield 25 beds	Edgefield County Healthcare	38.2% (4,521 in county, 2,794 went outside of county)	72.9 % (416 in county, 1,119 went outside of county)
Union 85 beds	Union Medical Center	25% (14,320 in county, 4,773 went outside of county)	92.8% (300 in county, 3,862 went outside of county)
Hampton 32 beds	Hampton Regional Medical Center	49.4% (8,389 in county, 8,196 went outside of county)	75.7% (861 in county, 2,689 went outside of county)
Chesterfield 59 beds	McLeod Health Cheraw	27.8% (11,965 in county, 4,606 went outside of county)	68.7% (1,007 in county, 2,206 went outside of county)
Clarendon 81 beds	McLeod Health Clarendon	24.4% (13,578 in county, 4,383 went outside of county)	81.3% (951 in county, 4,124 went outside of county)
Newberry 90 beds	Newberry County Hospital	25.7% (15,682 in county, 5,430 went outside of county)	80.2% (1,379 in county, 5,591 went outside of county)
Laurens 76 beds	Prisma Health Laurens County Hospital	39.8% (21,444 in county, 14,178 went outside of county)	78.2% (2,479 in county, 8,876 went outside of county)
Williamsburg 25 beds	Williamsburg Regional Hospital	59.9% (7,746 in county, 11,577 went outside of county)	83.2% (926 in county, 4,586 went outside of county)