

**South Carolina Department of Health and Human Services  
Proviso 33.21 (B) of the FY 24-25 Appropriations Act**

**Introduction**

This Report is submitted pursuant to Section 33.21 (B) (DHHS: Rural Health Initiative). The Proviso states:

The department shall continue to investigate the potential use of disproportionate share, directed payment, and/or any other source of funds in order to improve access to medical services in one or more rural or underserved communities identified by the department in which such access has been determined to be unstable or at-risk. As funds are available to the department, it may establish a grant program for providers to implement sustainable delivery models or capital improvements to enhance access to health care services. When the program is in force, the department shall publish grant criteria and guidelines and, at its discretion, may cap or limit the amount of available funds at any time. The department shall require written proposals and may include stipulations it deems necessary and prudent to ensure funds are used to improve the sustainability of access to services in rural or other underserved areas. The department shall also ensure that a facility has been properly sized to meet the needs of its service area. By October 1st of each year, the department shall report to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee on the status of outstanding grants.

The South Carolina Department of Health and Human Services (SCDHHS) released a grant opportunity for Rural and Medically Underserved Areas throughout South Carolina on Oct. 6, 2023. Through the grant program, SCDHHS seeks to improve health outcomes, increase access to essential health care services, and improve service quality. Targeted services for this program include primary care, maternal and infant care, pediatrics and behavioral health. In March 2024, SCDHHS issued 26 grants totaling \$48.3 million dollars.

**Status**

Pursuant to Proviso 33.21 (B) of the FY 24-25 Appropriations Act, the following is an update on the status of outstanding grants:

There are four grant recipients (Eau Clair Cooperative Health, Affinity Health Center, Litte River Medical Center and MUHA MUSC Community Physicians) who have executed their contracts but have not yet invoiced for funds. Grant funds expended at the end of Sept. 2024 total \$19.4 million dollars.