This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 4305 Amended by the House of Representatives on May 1, 2025
Subject:	Wellness Reimbursement Programs
Requestor:	Senate Labor, Commerce, and Industry
RFA Analyst(s):	Vesely
Impact Date:	February 25, 2026

Fiscal Impact Summary

This bill as amended defines and regulates wellness reimbursement programs. Wellness reimbursement program companies must register annually with the Department of Insurance (DOI) to do business in South Carolina. This bill as amended provides that wellness reimbursement program companies must register with DOI at an initial cost of $5,000 and an annual renewal cost of $500.

DOI indicates that this bill will require the agency to process applications and maintain the registry of wellness reimbursement program companies, as well as report on wellness reimbursement programs annually. DOI anticipates hiring 1.0 FTE, a Rates Analyst, at a salary cost of approximately $61,000 and fringe cost of $29,000 for a total compensation cost of $90,000. Operating costs, including a laptop and other supplies, will total $6,000 annually. Therefore, DOI anticipates additional expenses of approximately $96,000 beginning in FY 2026-27. Revenue from fees and fines collected under the provisions of this bill may be retained by DOI for the expenses of program enforcement. However, as the number of registrations and resulting revenue that will be generated is unknown, it is unclear whether this revenue will be sufficient to fund part or all of the expenses. DOI anticipates requesting General Fund appropriations for these expenditures as needed.

The bill creates a number of new administrative penalties that DOI can impose for certain offenses. Therefore, the bill may impact the number of actions in the Administrative Law Court (ALC) for violations of the provisions of the bill. The ALC anticipates that the workload increase of this bill will be minimal and can be managed with existing resources. Therefore, this bill will have no fiscal impact on ALC.

The bill creates a new misdemeanor offense for a wellness reimbursement program administrator who fails to obtain a license. Under the bill, they must be fined $20,000, imprisoned for not more than two years, or both. Therefore, this bill may result in an increase in the number of court cases and potentially the number of incarcerations, which may increase the workload of the court system and the Commission of Indigent Defense, the Commission on Prosecution Coordination, the Department of Corrections, and the Department of Probation, Pardon, and Parole (PPP). However, the potential increase in expenses for each agency will depend upon the increase in the number of cases and number of incarcerations. Judicial and these agencies anticipate that the potential impact of the bill can be managed within existing appropriations. For information, according to Corrections, in FY 2024-25, the annual total cost per inmate was $37,503, of which $35,696 was state funded. Additionally, the bill may result in a change in fees collected in court, which may change General Fund, Other Funds, and local funds revenue. However, the number of cases that may occur is unknown, and therefore, the revenue impact of this bill is undetermined.

Explanation of Fiscal Impact

Amended by the House of Representatives on May 1, 2025
State Expenditure
This bill defines and regulates wellness reimbursement programs. Wellness reimbursement program companies must register annually with DOI to do business in South Carolina at an initial cost of $5,000 and an annual renewal cost of $500.

DOI indicates that this bill will require the agency to process applications and maintain the registry of wellness reimbursement program companies, as well as report on wellness reimbursement programs annually. DOI anticipates hiring 1.0 FTE, a Rates Analyst, at a salary cost of approximately $61,000 and fringe cost of $29,000 for a total compensation cost of $90,000. Operating costs, including a laptop and other supplies, will total $6,000 annually. Therefore, DOI anticipates this bill will increase expenses by $96,000 beginning in FY 2026-27. Revenue from fees and fines collected under the provisions of this bill may be retained by DOI for the expenses of program enforcement. However, as the number of registrations and resulting revenue that will be generated is unknown, it is unclear whether this revenue will be sufficient to fund part or all of the expenses. Therefore, DOI anticipates requesting General Fund appropriations for these expenditures as needed.

The bill creates a number of new administrative penalties that DOI can impose for certain offenses, which may impact the number of cases for the ALC. The ALC anticipates that the workload increase of this bill will be minimal and can be managed with existing resources. Therefore, this bill will have no fiscal impact on ALC.

This bill may result in an increase in the number of court cases and potentially the number of incarcerations, which may increase the workload of the court system and the Commission of Indigent Defense, the Commission on Prosecution Coordination, the Department of Corrections, and PPP. However, the potential increase in expenses for each agency will depend upon the increase in the number of cases and number of incarcerations. Judicial and these agencies anticipate that the potential increase in caseload can be managed within existing appropriations. For information, according to Corrections, in FY 2024-25, the annual total cost per inmate was $37,503, of which $35,696 was state funded.

State Revenue
This bill as amended provides that wellness reimbursement program companies must register with DOI at an initial cost of $5,000 and an annual renewal cost of $500. The bill also creates a number of new administrative penalties that DOI can impose for violations of the provisions. The bill specifies that revenue from these fines and fees may be retained by DOI for the expenses of program enforcement. However, the number of wellness reimbursement program companies

that will register and the number of fines is unknown, and the potential revenue impact is undetermined.

This bill also creates a new misdemeanor offense. If a wellness reimbursement program administrator fails to obtain a license, they must be fined $20,000, imprisoned for not more than two years, or both. Therefore, the bill may change General Fund and Other Funds revenue from court fines and fees. However, as this is a new offense, there are no data to determine the number of new cases that may be heard in court or the potential revenue.

Local Expenditure
N/A

Local Revenue
This bill also creates a new misdemeanor offense. If a wellness reimbursement program administrator fails to obtain a license, they must be fined $20,000, imprisoned for not more than two years, or both. Therefore, the bill may change local revenue from court fines and fees. However, as this is a new offense, there are no data to determine the number of new cases that may be heard in court or the potential revenue.

Frank A. Rainwater, Executive Director