



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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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. 5173	Introduced on February 11, 2026
Subject:	Hospitals	
Requestor:	House Ways and Means	
RFA Analyst(s):	Boggs	
Impact Date:	March 12, 2026	

Fiscal Impact Summary

This bill expands the definition of hospitals in Article 3 of Chapter 7, Title 44, related to the State Health Facility Licensure Act to include rural emergency hospitals (REH). Effective January 1, 2023, REHs were established as a new Medicare provider type pursuant to the federal Consolidated Appropriations Acts of 2021.

This bill will have no expenditure impact on the Department of Health and Human Services (DHHS) or the Department of Public Health (DPH), as both agencies anticipate that any responsibilities created by this bill can be managed within existing staff and appropriations.

This bill may result in a minimal revenue decrease for DPH. Regulation 60-16.201(G) requires an annual \$10 licensure fee per inpatient bed. If an eligible hospital transitions to REH designation, the facility would no longer have inpatient beds, and therefore, no longer contribute these fees. DPH anticipates this revenue loss will be minimal as only a small number of hospitals with 50 or fewer beds are eligible for this designation.

The Revenue and Fiscal Affairs Office (RFA) contacted all forty-six counties regarding this legislation and received responses from the counties of Charleston, Dorchester, Florence, Horry, and Lancaster. These counties indicate that the bill will have no expenditure impact.

Explanation of Fiscal Impact

Introduced on February 11, 2026

State Expenditure

This bill expands the definition of hospitals in Article 3 of Chapter 7, Title 44, related to the State Health Facility Licensure Act to include REHs. Effective January 1, 2023, REHs were established as a new Medicare provider type pursuant to the federal Consolidated Appropriations Acts of 2021.

This bill will have no expenditure impact on DHHS or DPH, as both agencies anticipate any responsibilities created by this bill can be managed within existing staff and appropriations.

State Revenue

This bill may result in a minimal revenue decrease for DPH. Regulation 60-16.201(G) requires an annual \$10 licensure fee per inpatient bed. If an eligible hospital transitions to REH designation, the facility would no longer have inpatient beds, and therefore, no longer contribute these fees. DPH anticipates this revenue loss will be minimal as only a small number of hospitals with 50 or fewer beds are eligible for this designation.

Local Expenditure

RFA contacted all forty-six counties regarding this legislation and received responses from the counties of Charleston, Dorchester, Florence, Horry, and Lancaster. These counties indicate that the bill will have no expenditure impact.

Local Revenue

N/A



Frank A. Rainwater, Executive Director