

Policy Brief: Financial Implications of Ending ACA Tax Credits in South Carolina

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Overview The Affordable Care Act (ACA) marketplace tax credits have provided critical financial relief to individuals and families in South Carolina (SC), enabling access to affordable health insurance. However, the potential expiration of these tax credits threatens to undermine health coverage and escalate economic challenges for residents and the state. This brief explores the financial impact of ending ACA tax credits on South Carolina, including effects on state healthcare expenditures, individual households, and broader economic impacts.

Background: Tax Credits and Access to Healthcare The ACA marketplace tax credits were designed to make health insurance more affordable for low- and middle-income households, significantly reducing the financial barriers to accessing care. These tax credits are scaled based on income and the cost of coverage in a given area, ensuring that no household pays an unaffordable share of their income for health insurance. In South Carolina, these subsidies have played a vital role in increasing insurance coverage, particularly among historically underserved populations.

By reducing the cost of premiums, tax credits enable more individuals to obtain health insurance, which in turn improves access to preventive services, routine care, and management of chronic conditions. Without insurance, individuals often delay or forgo necessary care due to cost concerns, leading to worse health outcomes and higher long-term healthcare costs.

For example, uninsured individuals are less likely to receive early diagnoses for conditions like diabetes, hypertension, and cancer, which are more effectively managed when detected early. When care is delayed, these conditions often progress to more severe stages, requiring costly emergency interventions and hospitalizations. Tax credits have thus been a cornerstone in reducing the prevalence of such preventable high-cost scenarios, particularly in low-income and rural areas of South Carolina.

When calculating the costs of allowing tax credit subsidies to expire, it is essential to account for the increased reliance on emergency care and hospitalizations due to a lack of insurance coverage. Additionally, the reduced demand for health insurance and healthcare services would lead to lower economic activity, impacting the healthcare sector in the state, local economies, and ultimately the state's budget.

Data analysis:

For our analysis, we utilized the publicly available county level marketplace open enrollment data and ACA tax credit data from Centers for Medicare & Medicaid Services (accessed at cms.gov at Dec 18th, 2024) and Small Area Health Insurance Estimates (SAHIE) data (Census.gov accessed on January 23rd 2025) and SC RFA Census data center data (poverty statistics accessed at <https://rfa.sc.gov/data-research/population-demographics/census-state-data-center> on January 23rd, 2025)

To proceed with this analysis and present the results effectively, here's how we structure the discussion and data presentation:

Figure 1: Demand for Health Care Plans:

Figure 1.1: SC observed steep YOY growth in ACA enrollment after 2019

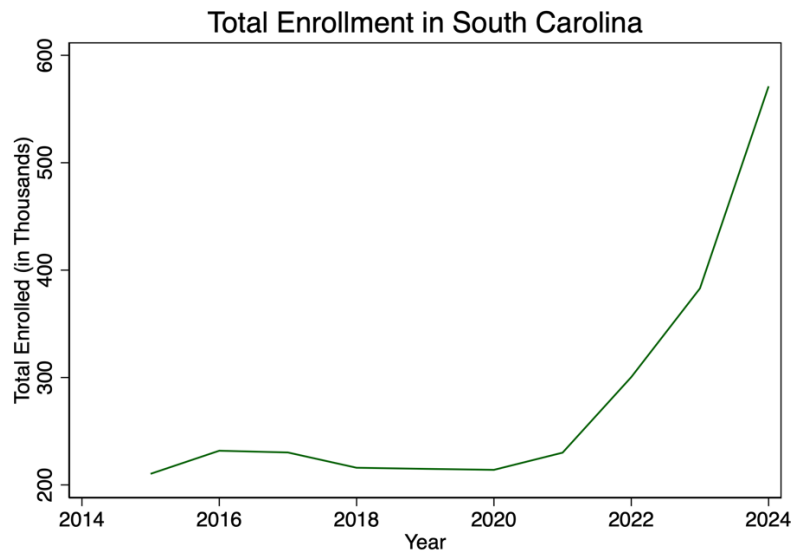
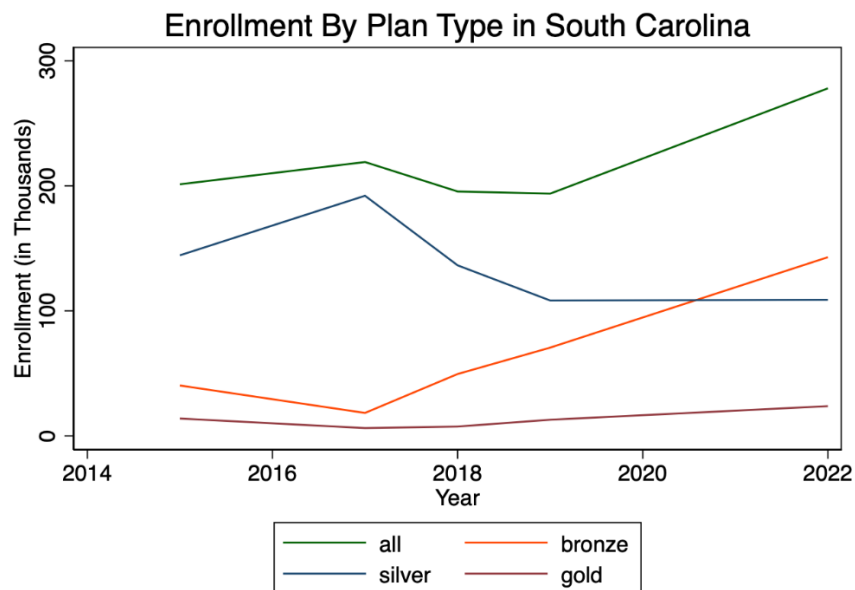


Figure 1.2: Bronze Plans saw Steep Growth after 2018



Notes: These figures illustrate the growth in the number of individuals covered by ACA in South Carolina (SC) since 2015, displaying year-on-year trends in enrollment to highlight changes over time. The second component breaks down the growth by specific plan types (e.g., Bronze, Silver, Gold). Source: Centers for Medicare & Medicaid Services (data accessed at cms.gov on Dec 18th, 2024)

Subsidy Receipt by Demographics and Household Income:

Table 1: South Carolina Marketplace Consumers by Race, Age, and Poverty Status over the years

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Share Eligible for Cost-Sharing Reduction	66.91	74.86	74.43	90.21	53.29	44.72	39.03	38.86	43.75
Share Receiving APTC	90.36	90.92	90.39	90.16	92.23	91.31	91.02	94.59	95.89
Share under 18 years old	6.56	6.3	8.35	7.86	7.8	8.21	7.16	7.49	6.64
Share 18 to 25 years old	10.8	10.61	10.35	9.88	9.71	9.81	9.45	9.53	8.77
Share 26 to 34 years old	14.34	13.85	14.05	13.62	13.91	14	13.94	14.29	14.75
Share 35 to 44 years old	16.36	15.58	15.27	14.78	14.71	14.82	14.94	15.8	17.66
Share 45 to 54 years old	24.57	23.31	23.13	22.56	22.08	21.87	21.69	21.78	22.31
Share 55 to 64 years old	30.66	30.52	32.75	34.55	34.57	34.69	34.56	33.37	30.29
Share 65 years or older	0.33	0.28	0.57	0.62	0.78	0.63	0.9	0.81	0.89
Share White	25.32	35.68	39.09	38.58	45.3	42.78	39.77	37.28	26.25
Share Black	33.15	18.62	19	21.24	16.6	17.5	16.32	16.01	11.87
Share Asian	0.97	1.44	2.39	1.6	1.62	1.37	1.37	1.55	1.49
Share Other Race	40.3	44.05	39.51	38.41	36.45	38.16	42.37	45.09	60.19
Share Hispanic	2.02	2.09	2.15	2.76	2.84	2.77	2.79	4.74	6.88
Share 100% and 200% of FPL	69.19	68.72	67.74	64.75	62.51	60.31	60.74	59.89	64.5
Share 200% and 300% of FPL	18.07	18.07	18.94	21.37	23.03	24.47	23.45	22.43	19.22
Share 300% and 400% of FPL	5.11	5.57	6.42	8.05	9.46	9.68	9.56	9.07	8.06
Share FPL Other	7.85	7.87	7.32	6.19	5.41	5.54	6.24	8.61	8.23
Total Consumers	210,323	231,845	230,211	215,983	214,956	214,030	230,050	300,392	382,968
State Share White	59.54	59.59	59.61	59.6	59.58	59.21	58.5	58	57.49
State Share Black	35.97	35.84	35.72	35.75	35.51	35.17	34.97	34.42	33.83
State Share Asian	0.76	0.78	0.82	0.82	0.84	0.9	0.89	0.92	1.04
State Share Other Race	3.31	3.34	3.41	3.39	3.62	4.29	5.23	6.25	7.16
State Share Hispanic	4.38	4.37	4.5	4.54	4.67	4.78	4.95	5.11	5.65
State Share 18 to 64 years old	43.74	43.46	43.32	43.14	42.88	42.6	42.55	42.52	42.28
State share 65 years or older	16.53	16.34	16.01	15.87	15.75	15.59	15.62	15.47	15.32
Total State Population	4,777,576	4,834,605	4,893,444	4,955,925	5,020,806	5,091,517	5,078,903	5,142,750	5,212,774

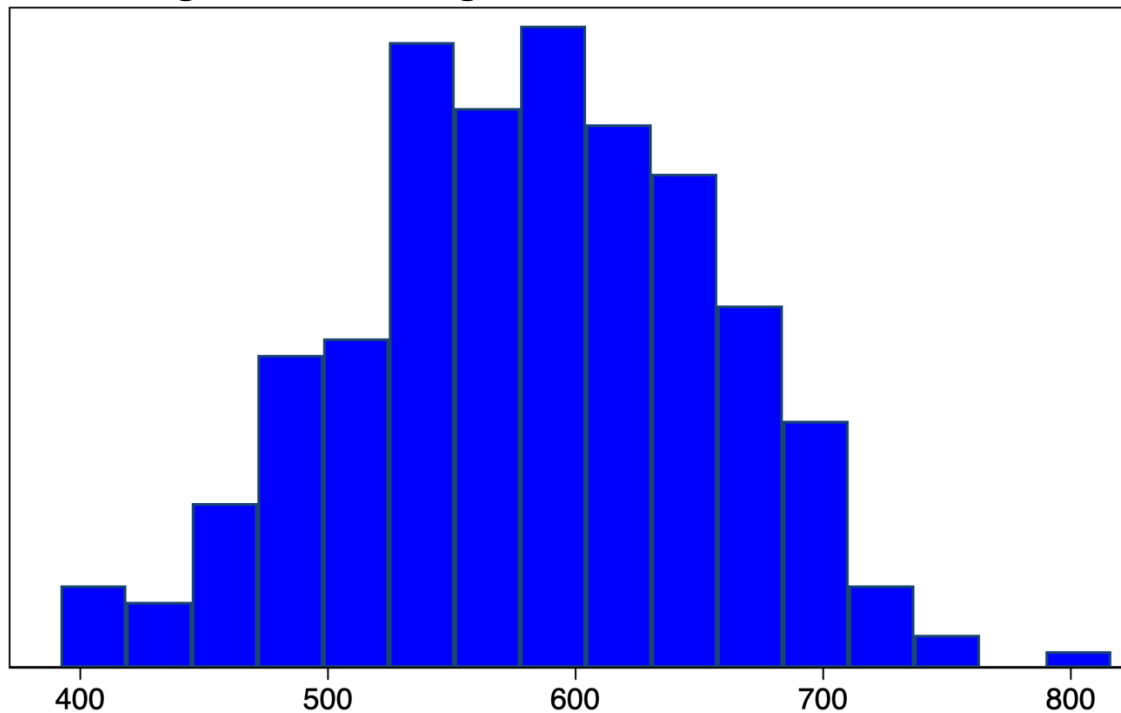
Note: Shares calculations use total number of consumers enrolled in a marketplace plan as the denominator. Consumers under 100% of the federal poverty line were missing for some years but between 1 and 3 percent for non-missing years. The race shares describe the share of individuals who identify as only one race and as non-Hispanic. Individuals included in the shares of Hispanic consumers may identify as any race(s). Source: Centers for Medicare & Medicaid Services (data accessed at cms.gov on Dec 18th, 2024)

Table 2: Premiums

Year	2018	2019	2020	2021	2022	2023
Premium before APTC	699.74	713.54	646.43	602.74	602.63	630.04
APTC	626.86	651.76	576.15	525.8	532.96	580.46
Premium after APTC	80.06	68.5	76.15	83.76	74.17	52.93

Note: Table displays average insurance values in the state of South Carolina for years 2018-2023. Values are reported in 2024 dollars. Averages are calculated from county level data points of average premiums weighted by county population. Source: Centers for Medicare & Medicaid Services (data accessed at cms.gov on Dec 18th, 2024)

Figure 2: The average Premium Tax Credit is \$570.20



Notes: Figure shows the distribution of the average Premium Tax Credit for across SC counties. Data on premiums for years: 2018, 2019, 2022, and 2024. Source: Centers for Medicare & Medicaid Services (data accessed at cms.gov on Dec 18th, 2024)

Table 3: Marketplace Overview by county

County	2022					2023				
	Total Marketplace Consumers	Average Advanced Premium Tax Credit	Average Premium after Credit	Total Population 18-64 years old	Total Population > 65 Years Old	Total Marketplace Consumers	Average Advanced Premium Tax Credit	Average Premium after Credit	Total Population 18-64 years old	Total Population > 65 Years Old
South Carolina	300,392	574.75	79.99	2,290,692	1,282,525	365,927	601.23	54.83	2,313,039	1,290,772
Abbeville	1,167	448.62	79.8	9,722	6,319	1,984	510.64	40.4	10,085	5,874
Aiken	7,670	535.97	81.96	72,290	41,540	10,610	550	52.82	73,125	41,534
Allendale	384	580.19	35.59	3,368	2,266	624	592.47	21.75	3,209	2,051
Anderson	11,595	663.23	74.41	89,493	52,045	14,612	656.69	69.4	90,724	52,247
Bamberg	629	549.99	58.23	5,881	2,840	934	577.97	31.07	5,528	3,104
Barnwell	745	586.66	60.39	8,703	5,242	1,013	598.68	42.47	8,629	5,136
Beaufort	12,116	544.6	129.41	72,351	41,821	15,689	591.43	88.04	72,830	41,999
Berkeley	12,748	511.17	86.27	112,051	56,850	16,715	532.39	71.47	115,730	57,764
Calhoun	924	519.8	76.57	5,026	4,027	1,490	555.18	39.36	4,922	3,866
Charleston	27,577	422.74	120.78	188,023	101,436	32,824	478.53	88.04	189,569	101,662
Cherokee	2,940	717.15	60.39	24,757	14,764	4,186	737.48	36.25	24,625	14,700
Chester	1,692	606.07	85.2	13,673	8,366	2,492	656.69	44.54	13,529	8,460
Chesterfield	1,710	599.6	99.21	18,056	12,032	2,601	620.43	56.97	18,177	11,710
Clarendon	1,911	578.03	70.1	12,106	7,522	2,554	621.47	60.08	11,900	7,612
Colleton	2,706	579.11	78.72	16,572	9,301	3,288	611.11	71.47	16,364	9,199
Darlington	3,303	575.88	80.88	27,178	15,855	4,832	598.68	49.72	26,926	16,145
Dillon	1,243	595.29	74.41	12,753	6,943	2,162	611.11	37.29	12,601	7,077
Dorchester	8,629	504.7	79.8	76,590	42,042	10,521	525.14	63.18	77,312	42,131
Edgefield	1,234	533.82	58.23	11,384	7,006	1,741	527.21	39.36	11,414	6,923
Fairfield	1,274	719.31	71.18	7,662	5,526	1,784	640.11	55.93	7,579	5,421
Florence	6,470	571.56	80.88	62,102	33,932	8,809	587.29	52.82	61,756	34,244
Georgetown	4,468	538.13	99.21	21,548	14,721	5,644	548.96	68.36	21,481	14,963
Greenville	33,560	500.39	87.35	242,756	133,459	41,665	575.9	52.82	247,252	135,204
Greenwood	2,639	432.45	102.45	30,563	17,395	3,437	502.35	60.08	30,945	16,480
Hampton	1,132	592.05	71.18	8,381	4,833	1,453	634.93	32.11	7,994	4,823
Horry	33,363	542.45	89.51	131,370	89,112	40,643	538.61	76.65	134,623	91,668
Jasper	2,132	575.88	76.57	11,987	7,108	2,931	621.47	48.68	12,322	7,386
Kershaw	4,133	644.9	76.57	28,871	16,554	5,372	579	75.61	29,455	16,367
Lancaster	5,258	558.62	94.9	40,176	24,915	6,652	605.93	60.08	41,331	25,727
Laurens	2,783	535.97	95.98	28,797	17,889	3,920	633.9	36.25	29,209	17,681
Lee	805	598.52	101.37	7,039	4,172	1,067	627.68	56.97	6,917	3,970
Lexington	18,145	619.01	85.2	133,811	76,673	22,429	617.33	68.36	134,528	78,382
Marion	1,398	600.68	61.47	12,456	7,405	2,047	625.61	39.36	12,137	6,996
Marlboro	880	645.97	76.57	11,469	6,975	1,396	659.79	36.25	11,296	6,836
McCormick	303	483.13	139.12	2,816	2,052	385	592.47	99.44	2,610	2,233
Newberry	1,815	601.76	75.49	15,638	9,604	2,368	584.18	83.9	15,821	9,524
Oconee	4,210	665.39	65.78	30,644	19,988	5,350	646.33	64.22	31,000	19,586
Orangeburg	4,508	535.97	71.18	37,164	18,938	5,944	575.9	42.47	36,427	18,769
Pickens	7,048	626.56	74.41	65,631	29,253	8,554	630.79	66.29	65,851	29,807
Richland	22,898	611.46	70.1	216,831	97,232	28,570	618.36	50.75	216,949	96,840
Saluda	789	652.44	40.98	7,594	5,062	1,165	625.61	50.75	7,665	4,786
Spartanburg	17,962	543.52	77.65	153,275	83,240	23,576	680.51	44.54	157,176	85,087
Sumter	4,886	585.58	70.1	50,002	24,008	6,302	609.04	36.25	49,614	23,705
Union	1,040	659.99	64.71	10,697	7,522	1,537	729.19	43.5	10,846	7,144
Williamsburg	1,347	613.62	64.71	12,686	7,552	2,055	621.47	42.47	12,518	7,415
York	14,223	530.58	104.61	128,749	79,188	17,041	590.4	73.54	130,538	80,534

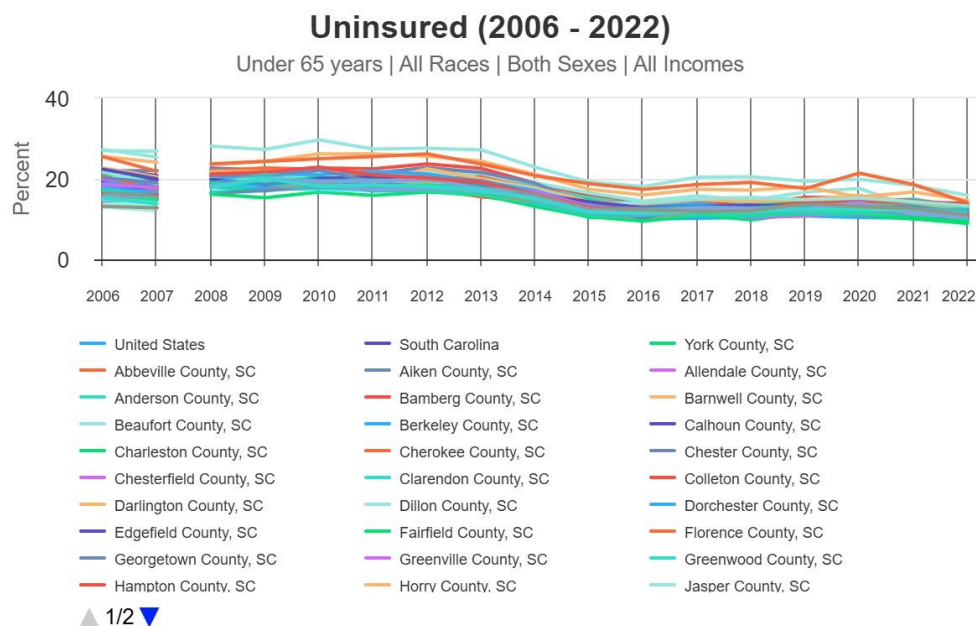
Analysis: Economic Impact of ACA Tax Credit Expiration and Projected Uninsured Rates for 2025

The expiration of the Affordable Care Act (ACA) tax credits is expected to have a significant impact on the uninsured rate across counties, reversing the progress made in expanding health coverage since the implementation of the ACA. Using historical data on uninsured rates from 2006 to 2022, we analyzed trends in pre-ACA levels to estimate the potential rise in uninsured individuals if tax credits are discontinued. Additionally, we incorporated 2023 average ACA tax credits by county (See table to assess the economic burden that individuals and healthcare systems may face as subsidies diminish.

Projected Uninsured Rates for 2025

To estimate the 2025 uninsured rate, we examined county-level data from before 2014—prior to the full implementation of ACA marketplace subsidies. By analyzing trends at the county level in uninsured rates during that period using regression analysis we predicted uninsured rates, we projected forward in order to determine the likely scenario should tax credits expire. The methodology involved identifying the rate of change in uninsured populations before ACA subsidies were in effect and applying those historical trends to current data. Estimates for uninsured rates are available only until 2022 from the US census bureau. We compared for this last available year the projected uninsured rate to actual to get an approximation for anticipated newly uninsured for 2025.

Our findings indicate that without ACA tax credits, the uninsured rate is expected to revert toward pre-ACA levels. This means a substantial increase in the number of uninsured individuals across all counties, with some areas experiencing uninsured rates close to 20%—levels that were last observed before the ACA significantly expanded coverage. An alternative method will be to assume reversal to 2013 levels. We use this alternative method for conservative estimates.



U.S. Census Bureau

Table 4: Share of Uninsured by County and Year

county	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Abbeville	17	15.3	18.8	19.6	20.3	19.6	18.8	18.3	16.8	13.1	12.1	12.9	13.9	13.7	15.5	13.2	11.6
Aiken	16.7	16.1	18.1	18.1	18.3	17.3	19.1	17.1	16.1	12.1	11.8	13.4	12.6	13.3	11.8	12	10.7
Allendale	14.5	15.1	22.1	22.1	22	18.6	18.9	17.8	16.9	12.7	11.2	11.8	10.4	10.8	11.8	12.5	13.6
Anderson	18.3	17.4	19.5	19.2	19.1	18.9	20.4	17.4	15.8	12.8	11.6	13.3	12.4	13.1	14	13.2	11.5
Bamberg	18.3	16.9	20.6	20.8	19.5	18.7	19.3	18.6	15.8	13.6	12.4	13.2	13.1	12.7	12.9	14.2	13.9
Barnwell	16.4	16	19.8	19.5	18.9	17.2	18	16.6	16.1	12.6	10.9	12.7	11.9	11.7	14.3	13.5	12.7
Beaufort	27.3	25.4	19.3	19.5	22.7	21.6	21.7	21.8	17.3	15.9	14.1	15.3	14.3	14.4	13.8	14.1	11
Berkeley	16.9	17.6	20.2	20.1	20.6	20.8	19.2	18.4	15.1	12.9	11.2	11.8	12	12.2	12.1	10.7	9.7
Calhoun	22.3	20.9	19.1	19	20.7	19.1	19.6	18.4	16.9	13.4	12.5	12.6	13.5	13.1	12.6	12.4	10.7
Charleston	21.3	19.8	18.5	18.7	19.8	19	20.1	19	15.5	12.6	12.5	13.5	10.9	13.1	11.3	10.6	9.7
Cherokee	18.1	15.4	20.3	20.2	21	19.7	20	20	16.7	13.3	11.9	13.8	12.8	13.7	15.2	13.3	11.5
Chester	15.1	14.8	18.2	20	20.3	18.2	19.1	18.1	16.4	11.8	11.8	12.2	11.6	12.4	13	12	11
Chesterfield	17	15.8	20.3	20.8	22.5	20.5	20.6	19.8	18.3	14.8	13.9	14.8	14.2	14.9	15.1	14.1	12.4
Clarendon	18.8	17.8	21.7	22.1	21.5	20.4	22.4	20.8	18	14.1	14	14.5	14.6	14.6	14.3	15	12.8
Colleton	18	17.7	20.3	20.7	22.7	22.5	23.7	22.6	18.9	16	13.4	13.6	13.8	15.4	15.3	14.6	13.5
Darlington	16.3	15.8	19.5	19.8	19.6	18.6	19.1	18.2	16.8	13.1	12.4	12.3	12.5	12.8	12.2	12.6	11.2
Dillon	14.9	14.6	20.2	19.8	22	21.6	21.8	20.7	19	16.5	14.5	15.8	14.7	16.7	17.6	13	13.2
Dorchester	18.3	18	18.5	17.8	18.1	17.1	17.3	16.8	13.8	10.9	10	11.3	10.7	11.7	12.6	11.5	10.4
Edgefield	19.5	19.7	20.4	18.8	18.8	18.9	18.1	18.3	16.4	12.5	12.6	13.3	13.6	13.7	13.4	13.8	12.5
Fairfield	16.8	16.4	18.9	18.8	18.6	18.1	18.5	17.5	16.2	13	12.2	11.7	12.2	12.1	12.1	10.4	9.8
Florence	15.9	15	18.8	18.2	18.7	17.9	17.9	15.5	14.7	11.6	10.3	11.5	12.3	12.5	12.8	11.5	10.5
Georgetown	22	22.1	22.7	22.2	21.9	21.4	22.8	21.6	18.9	13.8	13.9	13.2	13.7	14.2	15.1	13.6	11.8
Greenville	19.9	18	18.6	19.8	20.6	19.5	19.7	19.1	15.5	13.6	12.4	13.1	13.9	13.3	12.3	12.2	10.4
Greenwood	18.4	18.4	18.6	20.7	22.3	20.1	21.1	19.4	17.3	15.3	13.5	14.4	13.7	14.3	14.1	13.8	11.6
Hampton	15.5	16.2	21.4	21.3	21	20.3	20	17.7	16.7	12.4	11.8	12.3	12	13.5	13.7	12.9	13.4
Horry	25.6	24.1	23.6	24.4	26.2	26.2	25.6	24.4	21.1	17.4	16	17.4	17.2	18	15.5	16.7	14.7
Jasper	27	26.9	28.1	27.3	29.7	27.4	27.6	27.2	22.9	19.2	18.1	20.4	20.5	19.4	19.9	18.4	15.9
Kershaw	18.8	18.8	18.7	18.2	19.9	19.7	20	19.4	15	12.8	11.9	11.7	11.7	12.3	12	11.8	10.1
Lancaster	18.4	16.8	20.7	21.1	20.5	20.2	20.4	18.7	16.5	12.8	10.3	13.3	12.3	11.9	11.9	11.9	9.6
Laurens	16.4	14.8	19	19.7	20.4	20	20	18.8	17.3	14.7	12	14.1	14.3	14.2	14.7	14.3	12.7
Lee	20.7	17.1	22	22.7	22.4	20.3	19.9	20.5	17.6	12.6	12.7	11.8	11.7	12.3	12.1	11.9	11.5
Lexington	18.1	18.5	16.4	17.1	18	17.8	17.2	16	15.9	11.1	10.9	12.1	11.5	12.4	10.9	11.3	10.4
Marion	17	15.8	20.3	21.3	21.3	20.7	20.3	18	16.7	13	13.2	13.6	13.7	13.5	14.7	12.9	12.4
Marlboro	13.2	12.8	19.7	21.5	21.3	20.3	20.4	19.4	17.6	14.4	13.8	14.5	13	14.1	14.6	13.4	11.7
McCormick	18.6	17.8	20.6	19.5	18.4	17.3	17.5	16.8	15.5	12.3	11.2	12	12.7	12	12.3	12.1	9.7
Newberry	22.7	20.5	21.8	21.9	22.6	19.2	22.5	20	17.7	14.4	13.5	14.8	14.4	14.9	15.9	14.1	12.1
Oconee	21.7	18.8	20	19.7	21.3	19.3	20.3	19.7	17.3	13.6	14.2	15.1	15.4	14.8	15.2	14.3	13.3
Orangeburg	17.7	16.7	19.7	21.4	21	21.9	21.2	19.4	17.1	13.4	13	13.9	12.7	13	12.3	13	11.1
Pickens	22.4	20	19.9	18.6	20.1	20.4	20.2	18.5	16.2	14.3	12.8	13.1	13.5	13.2	12.7	13	11.6
Richland	16.9	15.8	16.2	15.3	16.7	15.9	16.7	16.1	13.1	10.6	9.5	11	10.9	11.3	11.7	10	9.6
Saluda	25.5	21.9	23.7	24.3	25	25.5	26.2	23.7	20.8	18.8	17.4	18.6	19.1	17.6	21.4	18.6	14.1
Spartanburg	20.3	19	20.8	21	22.2	19.3	20.3	19.6	16.3	13	12.6	12.9	12.7	13	12.9	12.4	12.3
Sumter	15.6	15.9	18.3	20	19.4	19.3	20.1	17.5	16.8	13.2	12	12.8	12.6	12.5	14.2	11.2	10.6
Union	15.3	13.8	17.8	20	18.2	18.5	18.1	17.2	15	11.7	11.4	12.1	11.8	12.5	12.4	12.4	11.3
Williamsburg	16.5	15.9	21.2	21.7	22.9	21	20.2	19.1	16.2	12.9	12.3	12	12.1	13.9	13.1	12.6	11
York	18.6	16.6	18	17	18.7	17	17.2	15.6	14	10.4	10.4	11.1	9.8	11.6	10.9	10.1	8.9

Table 5: Enrollment by Plan Types

County	Total	Bronze	Silver	Gold
South Carolina	382,968	193,897	161,463	23,901
Abbeville	1,984	854	1,047	
Aiken	10,610	5,170	4,840	534
Allendale	624	294	320	
Anderson	14,612	7,758	5,979	808
Bamberg	934	434	467	
Barnwell	1,013	484	489	
Beaufort	15,689	8,374	5,949	1,297
Berkeley	16,715	7,695	8,082	841
Calhoun	1,490	717	710	
Charleston	32,824	17,474	12,242	2,798
Cherokee	4,186	2,000	1,797	377
Chester	2,492	1,134	1,264	82
Chesterfield	2,601	1,146	1,333	109
Clarendon	2,554	1,315	1,141	
Colleton	3,288	1,682	1,438	
Darlington	4,832	2,421	2,208	
Dillon	2,162	987	1,122	
Dorchester	10,521	5,029	4,683	745
Edgefield	1,741	932	726	
Fairfield	1,784	906	812	
Florence	8,809	3,948	4,442	379
Georgetown	5,644	2,719	2,348	555
Greenville	41,665	22,415	15,278	3,692
Greenwood	3,437	1,349	1,865	211
Hampton	1,453	757	614	
Horry	40,643	21,191	16,505	2,803
Jasper	2,931	1,352	1,337	
Kershaw	5,372	3,181	1,848	324
Lancaster	6,652	3,311	2,949	355
Laurens	3,920	1,946	1,781	182
Lee	1,067	487	523	
Lexington	22,429	12,651	8,118	1,566
McCormick	385	169	197	
Marion	2,047	844	1,140	
Marlboro	1,396	604	748	
Newberry	2,368	1,345	927	
Oconee	5,350	2,628	2,137	554
Orangeburg	5,944	2,618	3,006	295
Pickens	8,554	4,145	3,578	782
Richland	28,570	14,228	12,564	1,584
Saluda	1,165	561	512	
Spartanburg	23,576	10,918	11,063	1,492
Sumter	6,302	2,979	2,886	406
Union	1,537	749	673	
Williamsburg	2,055	796	1,182	
York	17,041	9,200	6,593	1,130

Economic Implications

The financial strain from the loss of tax credits will be felt not only by individuals but also by healthcare systems and local economies. Counties where individuals currently receive the highest ACA tax credits, as shown on Table 4, such as Cherokee County (\$737.48), Union County (\$729.19), and Spartanburg County (\$680.51), may see the greatest per person economic burden. Households losing these subsidies will face higher out-of-pocket premium costs, leading many to forgo coverage altogether.

The increase in uninsured rates will also contribute to higher uncompensated care costs for hospitals and emergency services. As uninsured individuals delay necessary medical care, hospitals and local governments will bear greater financial responsibility, either through emergency room visits or public health interventions. Additionally, rising uninsured rates can lead to negative downstream effects, including poorer health outcomes, increased medical debt, and reduced workforce productivity.

We will consider the following as the ingredients for our economic impact calculations:

1. Increased Utilization of Emergency Care and Hospitalizations

- **Impact on Costs:** Without subsidies, many individuals may forego purchasing insurance. This lack of coverage often leads to delays in seeking necessary care, resulting in a higher reliance on emergency care and hospitalizations, which are far more expensive than preventive or regular care.
- **Economic Burden:** Hospitals may face increased uncompensated care costs, which could lead to higher costs being shifted to insured patients, insurers, and even state budgets.

2. Reduced Demand for Health Insurance and Healthcare Services

- **Health Insurance:** The absence of subsidies will likely price out low- and middle-income households from the insurance market, reducing enrollment in marketplace plans.
- **Healthcare Services:** With fewer people with insurance coverage, utilization of routine and preventive healthcare services would decline. This reduced demand could lead to revenue losses for providers, layoffs in the healthcare sector, and ripple effects on local economies.

3. Economic Impact through productivity and spending

- **Job Losses:** The healthcare sector is a significant employer, and reduced demand for services could lead to job losses in hospitals, clinics, and related industries.
- **Lower Household Spending:** Families spending more on emergency care or uninsured medical expenses will have less disposable income to spend elsewhere, reducing overall economic activity.

Algorithm

1. Calculate Newly Uninsured Individuals

Find the difference between the projected 2025 uninsured rate (approximated using projected 2022 rate) and the actual 2022 uninsured rate. [or 2013 Uninsured rate and the actual 2022 rate]

$$\Delta \text{ Uninsured Rate} = (\text{Projected 2025 Rate}) - (\text{2022 Rate})$$

2. Multiply that this delta by the 2022 population to find the additional uninsured if tax credits expire.

$$\text{Newly Uninsured} = \Delta \text{ Uninsured Rate} \times 2022 \text{ Population}$$

Example (Abbeville County) for the conservative calculations:

- 2013 uninsured rate = 18.3%
- 2022 uninsured rate = 11.6%
- $\Delta = 18.3\% - 11.6\% = 6.7$ percentage points
- 2022 population = 17,923

$$\text{Newly Uninsured} \approx 0.067 \times 17,923 \approx 1,201 \text{ people}$$

3. Calculate Lost Tax Credits

Using the 2023 average tax credit for each county, you can estimate the total lost tax credit dollars if these newly uninsured individuals lose coverage.

$$\text{Lost APTC (annual)} = \text{Newly Uninsured} \times (\text{Tax Credit per Month} \times 12)$$

Example (Abbeville County):

- Newly Uninsured = ~1,201
- 2023 average monthly tax credit = \$510.64

$$\text{Lost APTC (annual)} = 1,201 \times (510.64 \times 12) \approx 1,201 \times 6,127.68 \approx 7,355,000$$

4. Estimate Additional Healthcare Costs

A higher uninsured population means more uncompensated care and higher ER usage.

a. Uncompensated Care Costs

- Studies estimate \$7,000–\$8,000 in annual uncompensated care costs per uninsured individual.

b. ER Visit Cost

- Uninsured individuals rely more on the ER, at ~1.8 visits/year, costing \$2,000 per visit.

c. Preventable Deaths

- Studies estimate 1 preventable death per 830 uninsured adults annually.

Table 6: Economic Costs of Expired ACA Tax Credits

County	Additional Ripple Effect of							Number of Preventible deaths
	Lost Federal Funding	Reduced health care spending	Uncompensated Care Cost	Employer Costs due to Uninsured Workers			Total Cost	
				Costs of Increased ER Use	Productivity Loss	Costs due to		
Allendale	\$ 1,418,672	\$ 2,128,008	\$ 179,588	\$ 718,351	\$ 798,168	\$ 3,292,443	\$ 8,535,229	0.24
McCormick	\$ 2,175,201	\$ 3,262,801	\$ 260,770	\$ 1,043,078	\$ 1,158,976	\$ 4,780,776	\$ 12,681,602	0.35
Bamberg	\$ 2,920,085	\$ 4,380,127	\$ 378,923	\$ 1,515,694	\$ 1,684,104	\$ 6,946,929	\$ 17,825,862	0.51
Hampton	\$ 4,224,710	\$ 6,337,065	\$ 499,037	\$ 1,996,146	\$ 2,217,940	\$ 9,149,003	\$ 24,423,900	0.67
Barnwell	\$ 4,384,012	\$ 6,576,017	\$ 549,210	\$ 2,196,839	\$ 2,440,932	\$ 10,068,845	\$ 26,215,854	0.74
Calhoun	\$ 5,369,428	\$ 8,054,142	\$ 725,363	\$ 2,901,452	\$ 3,223,836	\$ 13,298,324	\$ 33,572,545	0.97
Lee	\$ 7,539,542	\$ 11,309,312	\$ 900,882	\$ 3,603,528	\$ 4,003,920	\$ 16,516,170	\$ 43,873,354	1.21
Edgefield	\$ 7,016,225	\$ 10,524,337	\$ 998,116	\$ 3,992,465	\$ 4,436,072	\$ 18,298,797	\$ 45,266,011	1.34
Abbeville	\$ 7,358,369	\$ 11,037,554	\$ 1,080,757	\$ 4,323,028	\$ 4,803,364	\$ 19,813,877	\$ 48,416,948	1.45
Fairfield	\$ 8,852,406	\$ 13,278,610	\$ 1,037,213	\$ 4,148,852	\$ 4,609,836	\$ 19,015,574	\$ 50,942,491	1.39
Marlboro	\$ 8,985,163	\$ 13,477,745	\$ 1,137,420	\$ 4,549,680	\$ 5,055,200	\$ 20,852,700	\$ 54,057,908	1.52
Union	\$ 10,590,691	\$ 15,886,037	\$ 1,089,293	\$ 4,357,174	\$ 4,841,304	\$ 19,970,379	\$ 56,734,878	1.46
Saluda	\$ 10,607,303	\$ 15,910,954	\$ 1,271,635	\$ 5,086,541	\$ 5,651,712	\$ 23,313,312	\$ 61,841,457	1.70
Dillon	\$ 12,028,478	\$ 18,042,717	\$ 1,476,225	\$ 5,904,900	\$ 6,561,000	\$ 27,064,125	\$ 71,077,445	1.98
Marion	\$ 13,081,783	\$ 19,622,675	\$ 1,487,039	\$ 5,948,158	\$ 6,609,064	\$ 27,262,389	\$ 74,011,108	1.99
Williamsburg	\$ 12,722,898	\$ 19,084,347	\$ 1,535,420	\$ 6,141,679	\$ 6,824,088	\$ 28,149,363	\$ 74,457,795	2.06
Clarendon	\$ 12,814,015	\$ 19,221,023	\$ 1,546,416	\$ 6,185,664	\$ 6,872,960	\$ 28,350,960	\$ 74,991,038	2.07
Chester	\$ 14,078,695	\$ 21,118,043	\$ 1,607,916	\$ 6,431,663	\$ 7,146,292	\$ 29,478,455	\$ 79,861,064	2.15
Newberry	\$ 15,886,936	\$ 23,830,405	\$ 2,039,646	\$ 8,158,583	\$ 9,065,092	\$ 37,393,505	\$ 96,374,166	2.73
Chesterfield	\$ 18,948,543	\$ 28,422,814	\$ 2,290,574	\$ 9,162,295	\$ 10,180,328	\$ 41,993,853	\$ 110,998,407	3.07
Jasper	\$ 19,202,908	\$ 28,804,363	\$ 2,317,438	\$ 9,269,752	\$ 10,299,724	\$ 42,486,362	\$ 112,380,546	3.10
Colleton	\$ 19,991,268	\$ 29,986,902	\$ 2,453,478	\$ 9,813,913	\$ 10,904,348	\$ 44,980,436	\$ 118,130,346	3.28
Laurens	\$ 24,579,792	\$ 36,869,688	\$ 2,908,163	\$ 11,632,651	\$ 12,925,168	\$ 53,316,318	\$ 142,231,780	3.89
Darlington	\$ 24,227,286	\$ 36,340,930	\$ 3,035,088	\$ 12,140,352	\$ 13,489,280	\$ 55,643,280	\$ 144,876,216	4.06
Greenwood	\$ 24,693,472	\$ 37,040,209	\$ 3,686,693	\$ 14,746,774	\$ 16,385,304	\$ 67,589,379	\$ 164,141,831	4.94
Oconee	\$ 29,779,412	\$ 44,669,118	\$ 3,455,597	\$ 13,822,387	\$ 15,358,208	\$ 63,352,608	\$ 170,437,329	4.63
Georgetown	\$ 28,261,423	\$ 42,392,134	\$ 3,861,131	\$ 15,444,526	\$ 17,160,584	\$ 70,787,409	\$ 177,907,206	5.17
Cherokee	\$ 33,836,040	\$ 50,754,059	\$ 3,441,047	\$ 13,764,186	\$ 15,293,540	\$ 63,085,853	\$ 180,174,724	4.61
Orangeburg	\$ 34,407,754	\$ 51,611,630	\$ 4,480,954	\$ 17,923,817	\$ 19,915,352	\$ 82,150,827	\$ 210,490,334	6.00
Kershaw	\$ 35,089,936	\$ 52,634,904	\$ 4,545,329	\$ 18,181,314	\$ 20,201,460	\$ 83,331,023	\$ 213,983,965	6.08
Florence	\$ 38,016,926	\$ 57,025,389	\$ 4,854,960	\$ 19,419,840	\$ 21,577,600	\$ 89,007,600	\$ 229,902,315	6.50
Sumter	\$ 41,255,566	\$ 61,883,349	\$ 5,080,401	\$ 20,321,604	\$ 22,579,560	\$ 93,140,685	\$ 244,261,164	6.80
Pickens	\$ 53,290,191	\$ 79,935,287	\$ 6,336,125	\$ 25,344,500	\$ 28,160,556	\$ 116,162,294	\$ 309,228,953	8.48
Lancaster	\$ 53,063,733	\$ 79,595,600	\$ 6,568,052	\$ 26,272,210	\$ 29,191,344	\$ 120,414,294	\$ 315,105,233	8.79
Aiken	\$ 57,049,766	\$ 85,574,650	\$ 7,779,514	\$ 31,118,054	\$ 34,575,616	\$ 142,624,416	\$ 358,722,016	10.41
Dorchester	\$ 55,977,471	\$ 83,966,206	\$ 7,994,650	\$ 31,978,598	\$ 35,531,776	\$ 146,568,576	\$ 362,017,276	10.70
Anderson	\$ 78,159,084	\$ 117,238,625	\$ 8,926,482	\$ 35,705,927	\$ 39,673,252	\$ 163,652,165	\$ 443,355,534	11.95
Beaufort	\$ 101,262,960	\$ 151,894,440	\$ 12,841,286	\$ 51,365,146	\$ 57,072,384	\$ 235,423,584	\$ 609,859,801	17.19
Lexington	\$ 104,183,949	\$ 156,275,924	\$ 12,657,406	\$ 50,629,622	\$ 56,255,136	\$ 232,052,436	\$ 612,054,473	16.94
York	\$ 116,596,991	\$ 174,895,486	\$ 14,811,610	\$ 59,246,438	\$ 65,829,376	\$ 271,546,176	\$ 702,926,077	19.83
Berkeley	\$ 113,075,592	\$ 169,613,388	\$ 15,929,430	\$ 63,717,721	\$ 70,797,468	\$ 292,039,556	\$ 725,173,155	21.32
Spartanburg	\$ 167,873,469	\$ 251,810,203	\$ 18,501,580	\$ 74,006,320	\$ 82,229,244	\$ 339,195,632	\$ 933,616,446	24.77
Richland	\$ 159,666,513	\$ 239,499,769	\$ 19,365,723	\$ 77,462,892	\$ 86,069,880	\$ 355,038,255	\$ 937,103,032	25.92
Horry	\$ 171,820,989	\$ 257,731,484	\$ 23,925,613	\$ 95,702,450	\$ 106,336,056	\$ 438,636,231	\$ 1,094,152,823	32.03
Charleston	\$ 178,998,285	\$ 268,497,427	\$ 28,054,399	\$ 112,217,594	\$ 124,686,216	\$ 514,330,641	\$ 1,226,784,562	37.56
Greenville	\$ 268,809,415	\$ 403,214,123	\$ 35,007,304	\$ 140,029,214	\$ 155,588,016	\$ 641,800,566	\$ 1,644,448,638	46.86
South Carolina	\$ 2,214,173,346	\$ 3,321,260,019	\$ 284,910,893	\$ 1,139,643,572	\$ 1,266,270,636	\$ 5,223,366,374	\$ 13,449,624,839	381.41

Appendix A: Sources for the multipliers for cost calculations:

Uncompensated Care Costs per Uninsured Individual

- **Multiplier:** ~\$900 per uninsured person per year
- **Source:** National Bureau of Economic Research (NBER)
- **Link:** <https://www.nber.org/digest/oct15/hospitals-insurers-last-resort>
- This is a very conservative estimate: Alternative is provided at \$7000 to \$8000 per uninsured person per year (Urban Institute)

Increased Emergency Room (ER) Visits and Costs

- **Multiplier:** Uninsured individuals have 1.8 times more ER visits per year, costing \$2,000 per visit
- **Source:** Health Affairs
- **Link:** <https://www.ncbi.nlm.nih.gov/books/NBK221320/>

Preventable Deaths Due to Lack of Insurance

- **Multiplier:** 1 preventable death per 830 uninsured individuals annually
- **Source:** National Academies Press
- **Link:** <https://www.nationalacademies.org/our-work/consequences-of-uninsurance>

Lost Federal Funding from Expired Tax Credits

- **Multiplier:** Newly Uninsured Individuals $\times$ (Average Monthly Tax Credit $\times$ 12)
- **Source:** Kaiser Family Foundation (KFF)
- **Link:** <https://www.kff.org/uninsured/issue-brief/sources-of-payment-for-uncompensated-care-for-the-uninsured>

Productivity Loss Due to Uninsurance

- **Multiplier:** \$1,650 per uninsured individual annually
- **Source:** National Academies Press
- **Link:** <https://www.nationalacademies.org/our-work/consequences-of-uninsurance>

Economic Ripple Effect of Healthcare Spending

- **Multiplier:** 1.5 to 2.0 times the initial healthcare spending
- **Source:** Economic Policy Institute (EPI)
- **Link:** <https://www.brookings.edu/articles/universal-effective-and-affordable-health-insurance-an-economic-imperative>

Employer Costs Due to Uninsured Workers

- **Multiplier:** \$4,000 per uninsured worker annually

- **Source:** The Commonwealth Fund
- **Link:** <https://www.childrensdefense.org/the-economic-costs-of-uninsured-children>

SUMMARY OF KEY FINDINGS

1. Economic Burden on Households

- **Premium Increases:** Without the tax credits, the average marketplace premium for a 40-year-old in South Carolina could rise by approximately **\$7200** annually. Families earning 200-400% of the federal poverty level will be particularly hard-hit, as they currently benefit most from enhanced subsidies.
- **Out-of-Pocket Spending:** Higher premiums will lead to increased out-of-pocket costs, forcing families to divert income from essential needs such as housing, education, and food.

2. Rising Uninsured Rates and Increased Healthcare Costs

- **Projected Coverage Loss:** If ACA tax credit enhancements expire, approximately 4 million people nationwide are projected to lose health insurance, including thousands in South Carolina. Many of these individuals are low- and middle-income earners who rely heavily on tax credits to afford coverage. (Kaiser Foundation). **We estimate over 315000 South Carolina residents to become uninsured without tax credits.**
- **Uncompensated Care Costs:** Without coverage, many South Carolina residents will forgo preventive care, leading to more emergency room visits and uncompensated care costs. South Carolina hospitals, **particularly rural ones**, will face significant financial strain, potentially resulting in closures or reduced services. **Uncompensated care costs is estimated to be 285 million annually.**
- **Higher Costs Due to Delayed Care:** Uninsured individuals are more likely to avoid seeking care until their conditions become critical. This delay not only worsens health outcomes but also increases healthcare costs, as chronic and preventable conditions such as diabetes, heart disease, and asthma are more expensive to treat at advanced stages. **We estimated increased cost of ER use to be about 1.13 billion dollars**

3. Broader Economic Implications

- **Reduced Consumer Spending:** Higher healthcare costs will shrink disposable income, weakening consumer spending, a key driver of South Carolina's economy.
- **Loss of Federal Dollars:** The expiration of tax credits represents a significant reduction in federal funding for South Carolina. **South Carolina will lose in average tax credit dollars about 2.2 billion annually** (this estimate is significantly lower than what is estimated by HHS, 3.8 billion annually)
https://aspe.hhs.gov/sites/default/files/documents/317e774851e1c3bb6bd57d1ec3da51b8/state-factsheet-ira-aca-south-carolina.pdf?utm_source=chatgpt.com For every dollar spent on health coverage subsidies, the state benefits from economic multiplier effects through healthcare jobs and related industries.

- In addition to this direct costs there will be indirect (ripple effect) costs associated with lost federal dollars. Estimates from The Kaiser Family Foundation Congressional Budget Office (CBO), Economic Policy Institute, Center for Budget and Policy Priorities (CBPP)
 - suggest that every **\$1 in federal healthcare spending generates approximately \$1.50 to \$2 in total economic activity** through the healthcare sector and related industries. Additional economic loss due to reduced health care spending will be (using 1.8 multiplier - midpoint of estimates), the total economic loss from lost tax credits in SC would be:

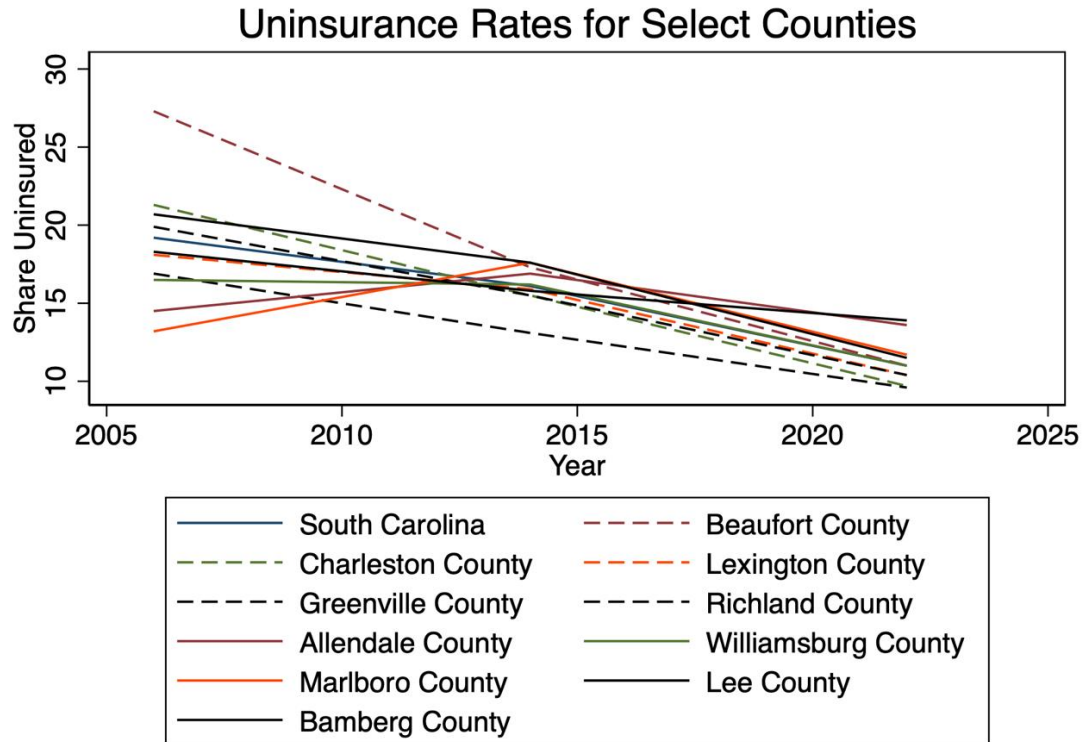
$$\text{\$2.214 billion} \times 1.8 = \text{\$3.32 billion}$$
in lost economic activity.
4. We additionally consider costs associated with reduced productivity implications of the loss of health insurance and increased employer costs. Productivity loss is estimated to be 1650 nationally per uninsured person and employer costs are estimated to be 4000 per uninsured person. These costs will total to 1.8 billion for the state

Estimated Total Cost:

Adding these components together, South Carolina could face **\$13.4 billion** in direct and indirect costs if ACA tax credits expire. This figure includes uncompensated care costs, lost federal funding, and broader economic impacts. In addition, there will be **381 additional preventable deaths annually** due to lack of insurance. Greenville (1.6 billion annually), Charleston, Horry, Richland and Spartanburg (933 million annually) are the counties with the highest expected aggregate costs.

Appendix B

Uninsurance Trends for 5 Richest (dotted) and 5 Poorest (solid) counties in South Carolina



We see a reversal of an upward trend uninsured rates in the poorest counties after ACA