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## A BILL FOR AN ACT

RELATING TO UNIVERSAL IMMUNIZATION FUNDING PROGRAM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that fourteen states have  
2 adopted programs known as "Universal Purchase" or "Universal  
3 Select" (collectively, UP), providing state-purchased access to  
4 some or all recommended immunizations to children and adults in  
5 those states. UP immunization purchases occur at a discounted  
6 price through contracts otherwise intended for more established  
7 and familiar immunization purchasing programs such as the  
8 Vaccines For Children Program (Pub. L. 103-66) and Public Health  
9 Services Act, Section 317 Immunization Program (Pub. L. 78-410).  
10 Other varied state approaches include superseding private  
11 sources of coverage and assessing health insurance plans for the  
12 cost of the program and disallowing provider use of private  
13 immunization stock.

14           The legislature further finds that states with UP programs  
15 that allow state health officials to manage the supply of  
16 immunizations lowered health care providers' administrative  
17 costs and ensured that the states can quickly supply  
18 immunizations to vulnerable patient groups during emergencies or

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1 immunization shortages. The potential benefits to Hawaii's  
2 health care and public health system make investment in a UP  
3 program worthwhile.

4 SECTION 2. Chapter 321, Hawaii Revised Statutes, is  
5 amended by adding a new part to be appropriately designated and  
6 to read as follows:

7 "PART . UNIVERSAL IMMUNIZATION FUNDING PROGRAM

8 §321- Definitions. As used in this part, unless the  
9 context otherwise requires:

10 "Adult covered lives" means all adults under the age of  
11 sixty-five who have immunizations covered:

- 12 (1) By an individual health insurance policy issued or  
13 delivered in the State;
- 14 (2) By a group health insurance policy issued or delivered  
15 in the State;
- 16 (3) By a group health insurance policy evidenced by a  
17 certificate of insurance issued or delivered to an  
18 individual residing in the State;
- 19 (4) By an employee benefit plan of a self-insured entity  
20 or a government plan for any employer or government  
21 entity that has an office or other worksite located in  
22 the State or has two or more employees; or

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1 (5) As a participant or beneficiary of a health cost  
2 sharing program.

3 "Assessed entity" means any insurer in the State, that is  
4 not federally funded, issuing individual and group accident and  
5 health or sickness insurance policies, individual or group  
6 hospital or medical service plan contracts, and nonprofit mutual  
7 benefit society, fraternal benefit society, and health  
8 maintenance organization health plans.

9 "Assessment" means the association member liability with  
10 respect to immunization costs determined in accordance with this  
11 part.

12 "Child covered lives" means all children aged eighteen  
13 years or younger who have immunizations covered:

14 (1) By an individual health insurance policy issued or  
15 delivered in the State;

16 (2) By a group health insurance policy issued or delivered  
17 in the State;

18 (3) By a group health insurance policy evidenced by a  
19 certificate of insurance issued or delivered to an  
20 individual residing in the State;

21 (4) By an employee benefit plan of a self-insured entity  
22 or a government plan for any employer or government

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1           entity that has an office or other worksite located in  
2           the State or has two or more employees; or

3           (5) As a participant or beneficiary of a health cost  
4           sharing program.

5           "Department" means the department of health.

6           "Director" means the director of health or designee.

7           "Estimated adult immunization cost" means the estimated  
8           cost to the State for the purchase and distribution of adult  
9           immunizations purchased at the federal discount rate.

10          "Estimated pediatric immunization cost" means the estimated  
11          cost to the State for the purchase and distribution of child  
12          immunizations purchased at the federal discount rate.

13          "Health carrier" means an entity subject to the insurance  
14          laws and rules of the State, or subject to the jurisdiction of  
15          the insurance commissioner, that contracts or offers to contract  
16          to provide, deliver, arrange for, pay for, or reimburse any of  
17          the costs of health care services, including an insurance  
18          company, a health maintenance organization, a mutual benefit  
19          society, or any other entity providing a plan of health  
20          insurance, health benefits, or health services.

21          "Health cost sharing program" means any cost sharing or  
22          similar program that seeks to share the costs of health care

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1 services and that in the preceding twelve months either has  
2 coordinated payment for or reimbursed over \$10,000 of costs for  
3 health care services delivered in the State or communicated by  
4 mail or electronic media to residents of the State concerning  
5 their potential participation.

6 "Immunization" means any preparation of killed  
7 microorganisms, living attenuated organisms, or living fully  
8 virulent organisms of mRNA or any other injectable treatment  
9 intended to trigger an immune response that is authorized by the  
10 United States Food and Drug Administration and recommended by  
11 the national Advisory Committee on Immunization Practices of the  
12 United States Centers for Disease Control and Prevention and has  
13 been authorized for purchase by the director for the purposes of  
14 producing or artificially increasing immunity to particular  
15 diseases. For purposes of this part, "immunization" shall  
16 include any other substance designated as such by order of the  
17 director.

18 "Provider" means a person licensed by the State to  
19 administer immunizations or provide health care services or a  
20 partnership or corporation or other entity made up of those  
21 persons.

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1           §321-       **Universal immunization purchase special fund;**  
2 **established.** (a) There is established in the state treasury  
3 the universal immunization purchase special fund into which  
4 shall be deposited fees, fines, and cost reimbursements paid by  
5 assessed entities. The fund shall be administered and expended  
6 by the department.

7           (b) Expenditures from the fund shall be used for the  
8 purchase of immunizations and the administration of the program,  
9 at no cost to providers, to administer to individuals who are  
10 not eligible to receive immunizations at no cost through other  
11 programs.

12           (c) The department may contract with other entities for  
13 any services pursuant to this part.

14           §321-       **Assessments.** (a) The director shall determine  
15 regular immunization assessment rates as follows:

16           (1) Provide estimated child immunization costs and  
17               estimated adult immunization costs, not covered by any  
18               other state or federal funds, for the succeeding year  
19               no later than one hundred twenty days prior to the  
20               commencement of each fiscal year;

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- 1           (2) Add estimates to cover the department's operating  
2           costs for the universal immunization purchase special  
3           fund program;
- 4           (3) Add a reserve of up to ten per cent of the sum of the  
5           preceding fiscal year and for unanticipated costs;
- 6           (4) Add a working capital reserve in such amount as may be  
7           reasonably determined by the director;
- 8           (5) Subtract the amount of any unexpended fund balance,  
9           including any net investment income earned, as of the  
10          end of the preceding fiscal year; and
- 11          (6) Calculate a per-child covered life per month and per-  
12          adult covered life per month amount to be self-  
13          reported and paid by all assessed entities by dividing  
14          the annual amount determined in accordance with  
15          paragraphs (1) through (5) by the number of children  
16          and adults, respectively, projected to be covered by  
17          the assessed entities during the succeeding program  
18          year, divided by twelve.
- 19          (b) No later than forty-five days following the close of  
20          the state fiscal year, the department shall provide an  
21          accounting of immunization purchase funds not covered by any

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1 state or other program to determine the final amount needed to  
2 cover the prior fiscal year.

3 Unless determined by the director, any assessed entity that  
4 would otherwise be responsible for reimbursement to any provider  
5 for any immunization administration shall be responsible for  
6 reporting the child covered life and adult covered life and for  
7 payment of the corresponding assessment to the department.

8 (c) At any time after one full calendar year of operation  
9 under subsections (a) and (b), the director may make changes to  
10 the assessment collection mechanism. Any such changes shall be  
11 reflected in an updated plan of operation available to the  
12 public.

13 (d) If an assessed entity has not paid in accordance with  
14 this section, interest accrues at one per cent per month,  
15 compounded monthly on or after the due date.

16 (e) The director may determine an interim assessment for  
17 new immunizations or public health emergencies and shall  
18 calculate a supplemental interim assessment using the  
19 methodology outlined under subsection (a) for regular  
20 assessments, but payable over the remaining fiscal year, and  
21 such interim assessment shall be payable together with the  
22 regular assessment commencing the calendar quarter that begins

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1 no less than thirty days following the establishment of the  
2 federal contract price. The director may not impose more than  
3 one interim assessment per year, except in the case of a public  
4 health emergency declared in accordance with state or federal  
5 law.

6 (f) For purposes of assessments, medical loss ratio  
7 calculations, and reimbursement by plan sponsors, all  
8 association assessments are considered pharmaceutical or medical  
9 benefit costs and not regulatory or administrative costs.

10 (g) If the department discontinues operation of the  
11 universal immunization funding program for any reason, any  
12 unexpected assessments, including unexpended funds from prior  
13 assessments in the immunization purchase fund, shall be refunded  
14 to payees in proportion to the respective assessment payments by  
15 payees over the most recent eight quarters before  
16 discontinuation of program operations.

17 **§321- Reports and audits.** (a) Each assessed entity  
18 shall report its number of child and adult covered lives  
19 according to a schedule determined by the director and respond  
20 to any requests by the director related to covered lives or  
21 assessments due. Any assessed entity that fails to respond to  
22 an audit request within ten business days of the receipt of

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1 notification of audit request shall be responsible for prompt  
2 payment of fees of any outside auditor engaged by the department  
3 to determine such information and shall make all records  
4 requested by the department-engaged auditors available for  
5 inspection and copying at such location within the State as  
6 specified by the auditor.

7 (b) Each provider administering immunizations in the State  
8 that are supplied via federal vaccination programs or the  
9 universal immunization funding program shall report to the  
10 Hawaii immunization registry pursuant to section 325-122, such  
11 data related to immunizations as the department determines is  
12 necessary for disease prevention, control, and immunization  
13 inventory management and accountability purposes.

14 (c) Failure to cure non-compliance with any reporting,  
15 auditing, or assessment obligation to the department within  
16 thirty days from the postmarked date of written notice of  
17 noncompliance may subject the assessed entity to fines  
18 established pursuant to subsection (d). Any monetary fine, fee,  
19 or cost reimbursement shall be remitted to the universal  
20 immunization purchase special fund.

21 (d) Any entity that violates this chapter shall be fined  
22 no more than \$1,000 for each separate offense. Each date of

1 violation shall constitute a separate offense. The assessed  
2 entity shall also pay for reasonable attorney's fees and any  
3 other costs of enforcement under this section. Any action taken  
4 to impose or collect the penalty provided for in this subsection  
5 shall be considered a civil action.

6       **§321- Immunity.** Apart from liabilities of assessed  
7 entities pursuant to this part, there shall be no liability on  
8 the part of and no cause of action against the department,  
9 independent contractors, or employees for any action or omission  
10 in the course of operating the universal immunization purchase  
11 program.

12       **§321- Rulemaking.** The department may adopt rules  
13 pursuant to chapter 91 to carry out the purposes of this part.

14       **§321- Available choices.** The department shall maintain  
15 a list of immunizations, including all brand choices available  
16 for purchase by the State on the United States Centers for  
17 Disease Control and Prevention contract, for which costs are  
18 funded pursuant to this part.

19       **§321- Immunization cost reimbursement to providers;**  
20 **limits.** This part shall have no impact on amounts paid to  
21 providers to administer immunizations. No provider may bill any

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1 assessed entity or any other person for any immunizations  
2 supplied at no cost by the State."

3 SECTION 3. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$\_\_\_\_\_ or so  
5 much thereof as may be necessary for the fiscal year 2025-2026  
6 to be deposited into the universal immunization purchase special  
7 fund.

8 SECTION 4. There is appropriated out of the universal  
9 immunization purchase special fund the sum of \$\_\_\_\_\_ or so  
10 much thereof as may be necessary for fiscal year 2025-2026 for  
11 startup operations and initial procurements for the universal  
12 immunization funding program.

13 The sum appropriated shall be expended by the department of  
14 health for the purposes of this Act.

15 SECTION 5. This Act, upon its approval, shall take effect  
16 on July 1, 2025.

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INTRODUCED BY:

*Nellie K. Nakamura*

19

BY REQUEST  
JAN 21 2025

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**Report Title:**

Universal Immunization Funding Program; Immunization Purchasing;  
Universal Immunization Purchase Special Fund

**Description:**

Establishes the Universal Immunization Purchase Special Fund into which the fees will be deposited to finance the distribution of immunizations free of charge to qualifying healthcare providers.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Health

TITLE: A BILL FOR AN ACT RELATING TO UNIVERSAL IMMUNIZATION FUNDING PROGRAM.

PURPOSE: To establish the universal immunization purchase special fund for the purpose of equitably collecting and distributing assessments for the cost of immunizations in Hawaii that are not covered by other funding sources. Assessed funds will be made available to the Department for the purpose of procuring immunizations and administering the program through federal or other contracts for administration to individuals not otherwise eligible for other programs.

MEANS: Add a new part to chapter 321, Hawaii Revised Statutes, and appropriate funds.

JUSTIFICATION: Immunizations prevent morbidity and mortality from many diseases in millions of children and adults. A more centralized procurement and storage program can contribute to higher immunization rates in the community by minimizing supply chain disruptions caused by shortages or geographic disparities. During a public health emergency for which immunizations play an important role, the economies of scale and improved logistics can improve community-wide surveillance more quickly and accurately than the current fragmented distribution and delivery systems.

In Hawaii, the purchase of immunizations is conducted by the Department through federal immunization programs, and by private health care providers or health systems. Private providers take on considerable risk because of the need to pay for their immunization supplies up front, as well as incurring other expenses such as secure and temperature-controlled storage. A universal purchasing program will reduce the financial

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and administrative burden to health care providers and create economies of scale that can reach more patients than the current uncoordinated model.

Impact on the public: The Department's ability to leverage highly competitive federal immunization purchasing contracts may result in lower overall costs to Hawaii's health system, as well as increased rates of immunizations that will lower incidences of immunization-preventable diseases.

Impact on the department and other agencies: Immunizations are required for public school attendance so the Department of Education may have more eligible students due to wider availability of immunizations.

GENERAL FUND: \$\_\_\_\_\_.

OTHER FUNDS: \$\_\_\_\_\_ from the Universal Immunization Purchase Special Fund.

PPBS PROGRAM DESIGNATION: HTH 131.

OTHER AFFECTED AGENCIES: Department of Education.

EFFECTIVE DATE: July 1, 2025.