
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), which provide state-purchased access
4 to some or all recommended immunizations to children and adults
5 in those states. UP immunization purchases occur at a
6 discounted price through contracts otherwise intended for more
7 established and familiar immunization purchasing programs such
8 as the Vaccines For Children Program (Public Law 103-66) and
9 Public Health Services Act, Section 317 Immunization Program
10 (Public Law 78-410). Other varied state approaches include
11 superseding private sources of coverage and assessing health
12 insurance plans for the cost of the program and disallowing
13 provider use of private 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



1 immunizations to vulnerable patient groups during emergencies or
2 immunization shortages. The potential benefits to Hawaii's
3 health care and public health system make investment in a UP
4 program worthwhile.

5 The purpose of this Act is to establish a universal
6 immunization funding program in the State.

7 SECTION 2. Chapter 325, Hawaii Revised Statutes, is
8 amended by adding a new part to be appropriately designated and
9 to read as follows:

10 **"PART . UNIVERSAL IMMUNIZATION FUNDING PROGRAM**

11 **§325- Definitions.** As used in this part:

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

14 (1) By an individual or group health insurance policy,
15 plan, contract, or agreement issued or delivered in
16 the State;

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

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



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

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

5 "Assessed entity" means an insurer that is not a medicare
6 advantage health plan and is governed by article 10A of chapter
7 431, a nonprofit mutual benefit society governed by article 1 of
8 chapter 432, a fraternal benefit society governed by article 2
9 of chapter 432, or a health maintenance organization governed by
10 chapter 432D.

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

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

16 (1) By an individual or group health insurance policy,
17 plan, contract, or agreement issued or delivered in
18 the State;

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



1 (3) By an employee benefit plan of a self-insured entity
2 or a government plan for any employer or government
3 entity that has an office or other worksite located in
4 the State or has two or more employees; or

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

7 "Department" means the department of health.

8 "Director" means the director of health or the director's
9 designee.

10 "Estimated adult immunization cost" means the estimated
11 cost to the State for the purchase and distribution of adult
12 immunizations.

13 "Estimated child immunization cost" means the estimated
14 cost to the State for the purchase and distribution of child
15 immunizations.

16 "Health cost sharing program" means any cost sharing or
17 similar program that seeks to share the costs of health care
18 services and that in the preceding twelve months has either
19 coordinated payment for or reimbursed over \$10,000 of costs for
20 health care services delivered in the State or communicated by



1 mail or electronic media to residents of the State concerning
2 its potential participation.

3 "Immunization" means any preparation of killed
4 microorganisms, living attenuated organisms, living fully
5 virulent organisms, or part thereof, or any other treatment
6 intended to trigger an immune response that is authorized by the
7 United States Food and Drug Administration, recommended by the
8 national Advisory Committee on Immunization Practices of the
9 federal Centers for Disease Control and Prevention, or has been
10 authorized for purchase by the director for the purposes of
11 producing or increasing immunity to particular diseases.

12 "Immunization" includes any other substance designated as such
13 by order of the director.

14 "Program" means the universal immunization funding program
15 established under this part.

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

20 "Vaccines for children program" means the federal
21 entitlement program established under title 42 United States



1 Code section 1396s, which provides immunizations at no charge
2 for eligible children eighteen years of age or younger.

3 **§325- Universal immunization funding program;**
4 **established.** (a) There is established within the department
5 the universal immunization funding program for the purpose of
6 providing immunizations to individuals in the State.

7 (b) The department may contract with other entities for
8 any services needed to carry out the purposes of this part.

9 **§325- Universal immunization purchase special fund;**
10 **established.** (a) There is established in the state treasury
11 the universal immunization purchase special fund into which
12 shall be deposited:

13 (1) Fees, fines, and cost reimbursements collected from
14 assessed entities pursuant to this part;

15 (2) Appropriations made by the legislature;

16 (3) Grants, contracts, donations, and private
17 contributions;

18 (4) Moneys from the federal Centers for Medicare and
19 Medicaid Services and other federal agencies;

20 (5) All interest earned or accrued from the investment of
21 moneys in the special fund; and



1 (6) Any other moneys made available to the special fund
2 from other sources.

3 (b) The fund shall be administered and expended by the
4 department.

5 (c) Expenditures from the fund shall be used for the
6 purchase of immunizations and the administration of the program.

7 **§325- Assessments.** (a) The director shall determine
8 immunization assessment rates as follows:

9 (1) Provide estimated child immunization costs and
10 estimated adult immunization costs, not covered by the
11 vaccines for children program or any of its
12 successors, for the succeeding fiscal year no later
13 than ninety days before the commencement of each state
14 fiscal year;

15 (2) Add estimates to cover the department's operating
16 costs for the universal immunization funding program;

17 (3) Add a reserve of up to ten per cent of the sum of the
18 preceding fiscal year's program costs and for
19 unanticipated costs;

20 (4) Add a working capital reserve in such amount as may be
21 reasonably determined by the director;



1 (5) Subtract or add the amount of any surplus or deficit
2 in the fund, including any net investment income
3 earned, as of the end of the preceding state fiscal
4 year; and

5 (6) Calculate the immunization assessment rates as a per-
6 child covered life per month and per-adult covered
7 life per month amount to be self-reported and paid by
8 all assessed entities by dividing the annual amount
9 determined in accordance with paragraphs (1) to (5) by
10 the number of children and adults, respectively,
11 projected to be covered by the assessed entities
12 during the succeeding program year, divided by twelve.

13 (b) No later than forty-five days following the close of
14 each state fiscal year, the department shall provide an
15 accounting of immunization purchase funds not covered by any
16 state or other program to determine the final amount needed to
17 cover the prior fiscal year.

18 Unless determined by the director, any assessed entity that
19 would otherwise be responsible for reimbursement to any provider
20 for any immunization administration shall be responsible for
21 reporting the child covered life and adult covered life and for



1 payment of the corresponding assessment to the department. The
2 department shall establish by rule the frequency, schedule, and
3 methodology of the assessments that the assessed entities shall
4 be subject to.

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

10 (d) If an assessed entity has not paid in accordance with
11 this section, interest shall accrue at one per cent per month,
12 compounded monthly on or after the due date.

13 (e) The director may determine an interim assessment for
14 new immunizations or public health emergencies and shall
15 calculate a supplemental interim assessment using the
16 methodology outlined under subsection (a) for regular
17 assessments, but payable within forty-five days of the interim
18 assessment notice. The director shall not impose more than one
19 interim assessment per year, except in the case of a public
20 health emergency declared in accordance with federal or state
21 law.



1 (f) For purposes of assessments, medical loss ratio
2 calculations, and reimbursement by plan sponsors, all
3 association assessments shall be considered pharmaceutical or
4 medical benefit costs and not regulatory or administrative
5 costs.

6 (g) If the department discontinues operation of the
7 program for any reason, any unexpended assessments, including
8 unexpended funds from prior assessments in the universal
9 immunization purchase special fund, shall be refunded to
10 assessed entities in proportion to the current fiscal year's
11 assessment rate.

12 **§325- Reports and audits.** (a) The department shall
13 audit assessed entities and providers in accordance with the
14 reporting and compliance requirements of the program. Each
15 assessed entity shall report its number of child and adult
16 covered lives according to a schedule determined by the director
17 and respond to any requests by the director related to covered
18 lives or assessments due. Any assessed entity that fails to
19 respond to an audit request within ten business days of the
20 receipt of notification of audit request shall be responsible
21 for prompt payment of fees of any outside auditor engaged by the



1 department to determine the information and shall make all
2 records requested by the department-engaged auditors available
3 for inspection and copying at the location within the State as
4 specified by the auditor.

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

12 (c) Failure to cure non-compliance with any reporting,
13 auditing, or assessment obligation to the department no later
14 than thirty days from the postmarked date of written notice of
15 noncompliance may subject the assessed entity to fines, fees,
16 and other costs of enforcement established pursuant to
17 subsection (d). Any monetary fine, fee, or cost reimbursement
18 shall be remitted to the universal immunization purchase special
19 fund.

20 (d) Any entity that violates this chapter shall be fined
21 not more than \$1,000 for each separate offense. Each day of



1 violation shall constitute a separate offense. The assessed
2 entity shall also pay for reasonable attorneys' 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 **§325- 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, its
9 independent contractors, or its employees for any action or
10 omission in the course of operating the universal immunization
11 purchase program.

12 **§325- Rulemaking.** The department may adopt rules
13 pursuant to chapter 91 to carry out the purposes of this part.

14 **§325- Available choices.** The department shall purchase
15 immunizations through the federal Centers for Disease Control
16 and Prevention contracted price list, or other group purchasing
17 negotiated discount rate, for which costs are funded pursuant to
18 this part. The department may make purchases from available
19 immunizations based on health care provider requests and shall
20 not limit the immunizations the department purchases from those
21 available at a discounted rate; provided that the department may



1 choose to not purchase a specific immunization that has a low
2 volume of statewide health care provider requests.

3 **§325- Immunization cost reimbursement to providers;**
4 **limits.** This part shall have no impact on amounts paid to
5 providers to administer immunizations. No provider may bill any
6 assessed entity or any other person for any immunizations
7 supplied at no cost by the State."

8 SECTION 3. Section 36-27, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Except as provided in this section, and
11 notwithstanding any other law to the contrary, from time to
12 time, the director of finance, for the purpose of defraying the
13 prorated estimate of central service expenses of government in
14 relation to all special funds, except the:

- 15 (1) Special out-of-school time instructional program fund
- 16 under section 302A-1310;
- 17 (2) School cafeteria special funds of the department of
- 18 education;
- 19 (3) Special funds of the University of Hawaii;
- 20 (4) Convention center enterprise special fund under
- 21 section 201B-8;



- 1 (5) Special funds established by section 206E-6;
- 2 (6) Aloha Tower fund created by section 206J-17;
- 3 (7) Funds of the employees' retirement system created by
- 4 section 88-109;
- 5 (8) Hawaii hurricane relief fund established under chapter
- 6 431P;
- 7 (9) Hawaii health systems corporation special funds and
- 8 the subaccounts of its regional system boards;
- 9 (10) Universal service fund established under section 269-
- 10 42;
- 11 (11) Emergency and budget reserve fund under section 328L-
- 12 3;
- 13 (12) Public schools special fees and charges fund under
- 14 section 302A-1130;
- 15 (13) Sport fish special fund under section 187A-9.5;
- 16 (14) Neurotrauma special fund under section 321H-4;
- 17 (15) Glass advance disposal fee established by section
- 18 342G-82;
- 19 (16) Center for nursing special fund under section 304A-
- 20 2163;



- 1 (17) Passenger facility charge special fund established by
- 2 section 261-5.5;
- 3 (18) Solicitation of funds for charitable purposes special
- 4 fund established by section 467B-15;
- 5 (19) Land conservation fund established by section 173A-5;
- 6 (20) Court interpreting services revolving fund under
- 7 section 607-1.5;
- 8 (21) Trauma system special fund under section 321-22.5;
- 9 (22) Hawaii cancer research special fund;
- 10 (23) Community health centers special fund;
- 11 (24) Emergency medical services special fund;
- 12 (25) Rental motor vehicle customer facility charge special
- 13 fund established under section 261-5.6;
- 14 (26) Shared services technology special fund under section
- 15 27-43;
- 16 (27) Automated victim information and notification system
- 17 special fund established under section 353-136;
- 18 (28) Deposit beverage container deposit special fund under
- 19 section 342G-104;
- 20 (29) Hospital sustainability program special fund under
- 21 section 346G-4;



- 1 (30) Nursing facility sustainability program special fund
- 2 under section 346F-4;
- 3 (31) Hawaii 3R's school improvement fund under section
- 4 302A-1502.4;
- 5 (32) After-school plus program revolving fund under section
- 6 302A-1149.5;
- 7 (33) Civil monetary penalty special fund under section 321-
- 8 30.2; [~~and~~]
- 9 [+](34)[+] Stadium development special fund under section
- 10 109-3.5[~~r~~]; and
- 11 (35) Universal immunization purchase special fund under
- 12 section 325- ,
- 13 shall deduct five per cent of all receipts of all other special
- 14 funds, which deduction shall be transferred to the general fund
- 15 of the State and become general realizations of the State. All
- 16 officers of the State and other persons having power to allocate
- 17 or disburse any special funds shall cooperate with the director
- 18 in effecting these transfers. To determine the proper revenue
- 19 base upon which the central service assessment is to be
- 20 calculated, the director shall adopt rules pursuant to chapter
- 21 91 for the purpose of suspending or limiting the application of



1 the central service assessment of any fund. No later than
2 twenty days prior to the convening of each regular session of
3 the legislature, the director shall report all central service
4 assessments made during the preceding fiscal year."

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

10 SECTION 5. There is appropriated out of the universal
11 immunization purchase special fund the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2025-2026 for
13 the purchase of immunizations and the administration of the the
14 universal immunization funding program.

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

17 SECTION 6. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 7. This Act shall take effect on July 1, 3000.



Report Title:

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

Description:

Establishes the Universal Immunization Purchase Program as a universal funding model for immunization purchases by the Department of Health, to increase statewide access to immunizations for all persons under age sixty-five. Establishes the Universal Immunization Purchase Special Fund, into which fees collected from assessed entities and other sources of funding will be deposited, for purposes of bulk purchasing immunizations and administering the program. Appropriates funds. Effective 7/1/3000. (HD1)

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

