
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 (Pub. L. 103-66) and Public
9 Health Services Act, Section 317 Immunization Program (Pub. L.
10 78-410). Other varied state approaches include superseding
11 private sources of coverage and assessing health insurance plans
12 for the cost of the program and disallowing provider use of
13 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 were able to 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, to be administered by the
7 department of health.

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

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

12 **§321- Definitions.** As used in this part, unless the
13 context otherwise requires:

14 "Adult covered lives" means all adults under the age of
15 sixty-five 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;



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

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

"Assessed entity" means an insurer that is not federally funded and is governed by article 10A of chapter 431, a nonprofit mutual benefit society governed by article 1 of chapter 432, a fraternal benefit society governed by article 2 of chapter 432, or a health maintenance organization governed by chapter 432D.

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

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

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



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

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

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

"Department" means the department of health.

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

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

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

"Health carrier" means an entity subject to the insurance laws and rules of the State, or subject to the jurisdiction of the insurance commissioner, that contracts or offers to contract



1 to provide, deliver, arrange for, pay for, or reimburse any of
2 the costs of health care services, including an insurance
3 company, a mutual benefit society, a health maintenance
4 organization, or any other entity providing a plan of health
5 insurance, health benefits, or health services.

6 "Health cost sharing program" means any cost sharing or
7 similar program that seeks to share the costs of health care
8 services and that in the preceding twelve months either has
9 coordinated payment for or reimbursed over \$10,000 of costs for
10 health care services delivered in the State or communicated by
11 mail or electronic media to residents of the State concerning
12 their potential participation.

13 "Immunization" means any preparation of killed
14 microorganisms, living attenuated organisms, living fully
15 virulent organisms, or part thereof, or any other treatment
16 intended to trigger an immune response that is authorized by the
17 United States Food and Drug Administration, recommended by the
18 national Advisory Committee on Immunization Practices of the
19 United States Centers for Disease Control and Prevention, or has
20 been authorized for purchase by the director for the purposes of
21 producing or increasing immunity to particular diseases.



1 "Immunization" includes any other substance designated as such
2 by order of the director.

3 "Program" means the universal immunization funding program
4 established under this part.

5 "Provider" means a person licensed by the State to
6 administer immunizations or provide health care services or a
7 partnership or corporation or other entity made up of those
8 persons.

9 **§321- 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 fees, fines, and cost reimbursements paid by
13 assessed entities. The fund shall be administered and expended
14 by the department.

15 (b) Expenditures from the fund shall be used for the
16 purchase of immunizations and the administration of the program,
17 at no cost to providers, to administer to individuals who are
18 not eligible to receive immunizations at no cost through other
19 programs.

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



1 **§321- Assessments.** (a) The director shall determine
2 regular immunization assessment rates as follows:

- 3 (1) Provide estimated child immunization costs and
4 estimated adult immunization costs, not covered by any
5 other federal or state funds, for the succeeding year
6 no later than one hundred twenty days prior to the
7 commencement of each state fiscal year;
- 8 (2) Add estimates to cover the department's operating
9 costs for the program;
- 10 (3) Add a reserve of up to ten per cent of the sum of the
11 preceding fiscal year and for unanticipated costs;
- 12 (4) Add a working capital reserve in such amount as may be
13 reasonably determined by the director;
- 14 (5) Subtract the amount of any unexpended fund balance,
15 including any net investment income earned, as of the
16 end of the preceding fiscal year; and
- 17 (6) Calculate a per-child covered life per month and per-
18 adult covered life per month amount to be self-
19 reported and paid by all assessed entities by dividing
20 the annual amount determined in accordance with
21 paragraphs (1) through (5) by the number of children



1 and adults, respectively, projected to be covered by
2 the assessed entities during the succeeding program
3 year, divided by twelve.

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

9 Unless determined by the director, any assessed entity that
10 would otherwise be responsible for reimbursement to any provider
11 for any immunization administration shall be responsible for
12 reporting the child covered life and adult covered life and for
13 payment of the corresponding assessment to the department.

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

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



1 (e) The director may determine an interim assessment for
2 new immunizations or public health emergencies and shall
3 calculate a supplemental interim assessment using the
4 methodology outlined under subsection (a) for regular
5 assessments, but payable over the remaining fiscal year. The
6 interim assessment shall be payable together with the regular
7 assessment commencing the calendar quarter that begins no less
8 than thirty days following the establishment of the federal
9 contract price. The director shall not impose more than one
10 interim assessment per year, except in the case of a public
11 health emergency declared in accordance with federal or state
12 law.

13 (f) For purposes of assessments, medical loss ratio
14 calculations, and reimbursement by plan sponsors, all
15 association assessments shall be considered pharmaceutical or
16 medical benefit costs and not regulatory or administrative
17 costs.

18 (g) If the department discontinues operation of the
19 program for any reason, any unexpended assessments, including
20 unexpended funds from prior assessments in the universal
21 immunization purchase special fund, shall be refunded to payees



1 in proportion to the respective assessment payments by payees
2 over the most recent eight quarters before discontinuation of
3 program operations.

4 **§321- Reports and audits.** (a) Each assessed entity
5 shall report its number of child and adult covered lives
6 according to a schedule determined by the director and respond
7 to any requests by the director related to covered lives or
8 assessments due. Any assessed entity that fails to respond to
9 an audit request within ten business days of the receipt of
10 notification of audit request shall be responsible for prompt
11 payment of fees of any outside auditor engaged by the department
12 to determine such information and shall make all records
13 requested by the department-engaged auditors available for
14 inspection and copying at such location within the State as
15 specified by the auditor.

16 (b) Each provider administering immunizations in the State
17 that are supplied via federal vaccination programs or the
18 program shall report to the Hawaii immunization registry
19 pursuant to section 325-122 all data related to immunizations as
20 the department determines is necessary for disease prevention,



1 control, and immunization inventory management and
2 accountability purposes.

3 (c) Failure to cure non-compliance with any reporting,
4 auditing, or assessment obligation to the department within
5 thirty days from the postmarked date of written notice of
6 noncompliance may subject the assessed entity to fines, fees,
7 and other costs of enforcement pursuant to subsection (d). Any
8 monetary fine, fee, or cost reimbursement shall be remitted to
9 the universal immunization purchase special fund.

10 (d) Any entity that violates this chapter shall be fined
11 no more than \$1,000 for each separate offense. Each date of
12 violation shall constitute a separate offense. The assessed
13 entity shall also pay for reasonable attorney's fees and any
14 other costs of enforcement under this section. Any action taken
15 to impose or collect the penalty provided for in this subsection
16 shall be considered a civil action.

17 **§321- Immunity.** Apart from liabilities of assessed
18 entities pursuant to this part, there shall be no liability on
19 the part of and no cause of action against the department,
20 independent contractors, or employees for any action or omission



1 in the course of operating the universal immunization purchase
2 program.

3 **§321- Rulemaking.** The department may adopt rules
4 pursuant to chapter 91 to carry out the purposes of this part.

5 **§321- Available choices.** The department shall maintain
6 a list of immunizations, including all brand choices available
7 for purchase by the State on the United States Centers for
8 Disease Control and Prevention contract, for which costs are
9 funded pursuant to this part.

10 **§321- Immunization cost reimbursement to providers;**
11 **limits.** This part shall have no impact on amounts paid to
12 providers to administer immunizations. No provider may bill any
13 assessed entity or any other person for any immunizations
14 supplied at no cost by the State."

15 SECTION 3. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so
17 much thereof as may be necessary for the fiscal year 2025-2026
18 to be deposited into the universal immunization purchase special
19 fund.

20 SECTION 4. There is appropriated out of the universal
21 immunization purchase special fund the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2025-2026 for
2 startup operations and initial procurements for the universal
3 immunization funding program.

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

6 SECTION 5. 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 and
Universal Immunization Purchase Special Fund into which the fees
will be deposited to finance the distribution of immunizations
free of charge to qualifying health care providers.
Appropriates funds. Effective 7/1/3000. (HD1)

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not legislation or evidence of legislative intent.*

