

---

# 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 (Public Law 103-66) and Public  
9 Health Services Act, Section 317 Immunization Program (Public  
10 Law 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 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 321, 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 **§321- 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 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;



(4) 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

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

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

"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 health insurance policy issued or delivered in the State;

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



- 1           (3) By a group health insurance policy evidenced by a  
2           certificate of insurance issued or delivered to an  
3           individual residing in the State;
- 4           (4) By an employee benefit plan of a self-insured entity  
5           or a government plan for any employer or government  
6           entity that has an office or other worksite located in  
7           the State or has two or more employees; or
- 8           (5) As a participant or beneficiary of a health cost  
9           sharing program.

10          "Department" means the department of health.

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

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

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

18          "Health insurer" means an entity subject to the insurance  
19          laws and rules of the State, or subject to the jurisdiction of  
20          the insurance commissioner, that contracts or offers to contract  
21          to provide, deliver, arrange for, pay for, or reimburse any of



1 the costs of health care services, including an insurance  
2 company, a health maintenance organization, a mutual benefit  
3 society, or any other entity providing a plan of health  
4 insurance, health benefits, or health services.

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

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



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

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

7 **§321- Universal immunization funding program;**  
8 **established.** (a) There is established within the department an  
9 universal immunization funding program for the purpose of  
10 administering immunizations to individuals in the State who are  
11 not eligible to receive immunizations at no cost through other  
12 programs.

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

15 **§321- Universal immunization purchase special fund;**  
16 **established.** (a) There is established in the state treasury  
17 the universal immunization purchase special fund into which  
18 shall be deposited fees, fines, and cost reimbursements  
19 collected from assessed entities pursuant to this part. The  
20 fund shall be administered and expended by the department.



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

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

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

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

(3) Add a reserve of up to ten per cent of the sum of the preceding fiscal year and for unanticipated costs;

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

(5) Subtract the amount of any unexpended fund balance, including any net investment income earned, as of the end of the preceding fiscal year; and



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

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

14          Unless determined by the director, any assessed entity that  
15          would otherwise be responsible for reimbursement to any provider  
16          for any immunization administration shall be responsible for  
17          reporting the child covered life and adult covered life and for  
18          payment of the corresponding assessment to the department.

19          (c) At any time after one full calendar year of operation  
20          under subsections (a) and (b), the director may make changes to  
21          the assessment collection mechanism. Any changes shall be





1 reflected in an updated plan of operation available to the  
2 public.

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

6 (e) The director may determine an interim assessment for  
7 new immunizations or public health emergencies and shall  
8 calculate a supplemental interim assessment using the  
9 methodology outlined under subsection (a) for regular  
10 assessments, but payable over the remaining fiscal year, and the  
11 interim assessment shall be payable together with the regular  
12 assessment commencing the calendar quarter that begins not less  
13 than thirty days following the establishment of the federal  
14 contract price. The director may not impose more than one  
15 interim assessment per year, except in the case of a public  
16 health emergency declared in accordance with state or federal  
17 law.

18 (f) For purposes of assessments, medical loss ratio  
19 calculations, and reimbursement by plan sponsors, all  
20 association assessments are considered pharmaceutical or medical  
21 benefit costs and not regulatory or administrative costs.



1 (g) If the department discontinues operation of the  
2 universal immunization funding program for any reason, any  
3 unexpected assessments, including unexpended funds from prior  
4 assessments in the universal immunization special purchase fund,  
5 shall be refunded to payees in proportion to the respective  
6 assessment payments by payees over the most recent eight  
7 quarters before discontinuation of program operations.

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

20 (b) Each provider administering immunizations in the State  
21 that is supplied via federal vaccination programs or the



1 universal immunization funding program shall report to the  
2 Hawaii immunization registry pursuant to section 325-122, any  
3 data related to immunizations as the department determines is  
4 necessary for disease prevention, control, and immunization  
5 inventory management and accountability purposes.

6 (c) Failure to cure non-compliance with any reporting,  
7 auditing, or assessment obligation to the department no later  
8 than thirty days from the postmarked date of written notice of  
9 noncompliance may subject the assessed entity to fines  
10 established pursuant to subsection (d). Any monetary fine, fee,  
11 or cost reimbursement shall be remitted to the universal  
12 immunization purchase special fund.

13 (d) Any entity that violates this chapter shall be fined  
14 not more than \$1,000 for each separate offense. Each day of  
15 violation shall constitute a separate offense. The assessed  
16 entity shall also pay for reasonable attorneys' fees and any  
17 other costs of enforcement under this section. Any action taken  
18 to impose or collect the penalty provided for in this subsection  
19 shall be considered a civil action.

20 **§321- Immunity.** Apart from liabilities of assessed  
21 entities pursuant to this part, there shall be no liability on



1 the part of and no cause of action against the department, its  
2 independent contractors, or its employees for any action or  
3 omission in the course of operating the universal immunization  
4 purchase program.

5       **§321- Rulemaking.** The department may adopt rules  
6 pursuant to chapter 91 to carry out the purposes of this part.

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

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

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



1       SECTION 4. There is appropriated out of the universal  
2 immunization purchase special fund the sum of \$               or so  
3 much thereof as may be necessary for fiscal year 2025-2026 for  
4 startup operations and initial procurements for the universal  
5 immunization funding program.

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

8       SECTION 5. This Act shall take effect on December 31,  
9 2050.



**Report Title:**

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

**Description:**

Establishes the Universal Immunization Funding Program for the purpose of administering immunizations to individuals in the State who are not eligible to receive immunizations at no cost through other programs. Establishes the Universal Immunization Purchase Special Fund into which fees will be deposited to finance the Universal Immunization Funding Program. Effective 12/31/2050. (SD1)

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

