

ACT 175

S.B. NO. 1434

A Bill for an Act Relating to Universal Immunization Funding Program.

Be It Enacted by the Legislature of the State of Hawaii:

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

The legislature further finds that states with UP programs that allow state health officials to manage the supply of immunizations lowered health care providers’ administrative costs and ensured that the states can quickly supply immunizations to vulnerable patient groups during emergencies or immunization shortages. The potential benefits to Hawaii’s health care and public health system make investment in a UP program worthwhile.

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

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

“PART . UNIVERSAL IMMUNIZATION FUNDING PROGRAM

§325- Definitions. As used in this part:

“Adult covered lives” means all adults under the age of sixty-five 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.

“Assessed entity” means an insurer that is not a medicare advantage health plan 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.

“Estimated child immunization cost” means the estimated cost to the State for the purchase and distribution of child immunizations.

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

“Immunization” means any preparation of killed microorganisms, living attenuated organisms, living fully virulent organisms, or part thereof, or any other treatment intended to trigger an immune response that is authorized by the United States Food and Drug Administration, recommended by the national Advisory Committee on Immunization Practices of the federal Centers for Disease Control and Prevention, or has been authorized for purchase by the director for the purposes of producing or increasing immunity to particular diseases. “Immunization” includes any other substance designated as such by order of the director.

“Program” means the universal immunization funding program established under this part.

“Provider” means a person licensed by the State to administer immunizations or provide health care services or a partnership or corporation or other entity made up of those persons.

“Vaccines for children program” means the federal entitlement program established under title 42 United States Code section 1396s, which provides immunizations at no charge for eligible children eighteen years of age or younger.

§325- Universal immunization funding program; established. (a) There is established within the department the universal immunization funding program for the purpose of providing immunizations to individuals in the State.
(b) The department may contract with other entities for any services needed to carry out the purposes of this part.

§325- Universal immunization purchase special fund; established. (a) There is established in the state treasury the universal immunization purchase special fund into which shall be deposited:
(1) Fees, fines, and cost reimbursements collected from assessed entities pursuant to this part;
(2) Appropriations made by the legislature;
(3) Grants, contracts, donations, and private contributions;
(4) Moneys from the federal Centers for Medicare and Medicaid Services and other federal agencies;
(5) All interest earned or accrued from the investment of moneys in the fund; and
(6) Any other moneys made available to the special fund from other sources.
(b) The fund shall be administered and expended by the department.
(c) Expenditures from the fund shall be used for the purchase of immunizations and the administration of the program.

§325- Assessments. (a) The director shall determine immunization assessment rates as follows:
(1) Provide estimated child immunization costs and estimated adult immunization costs, not covered by the vaccines for children program or any of its successors, for the succeeding fiscal year no later than ninety days before the commencement of each state fiscal year;
(2) Add estimates to cover the department’s operating costs for the program;
(3) Add a reserve of up to ten per cent of the sum of the preceding fiscal year’s program costs and for unanticipated costs;
(4) Add a working capital reserve in such amount as may be reasonably determined by the director;
(5) Subtract or add the amount of any surplus or deficit in the fund, including any net investment income earned, as of the end of the preceding state fiscal year; and
(6) Calculate the immunization assessment rates as a per-child covered life per month and per-adult covered life per month amount to be self-reported and paid by all assessed entities by dividing the annual amount determined in accordance with paragraphs (1) through (5) by the number of children and adults, respectively, projected to be covered by the assessed entities during the succeeding program year, divided by twelve.
(b) No later than forty-five days following the close of each state fiscal year, the department shall provide an accounting of immunization purchase funds not covered by any state or other program to determine the final amount needed to cover the prior fiscal year.

Unless determined by the director, any assessed entity that would otherwise be responsible for reimbursement to any provider for any immunization administration shall be responsible for reporting the child covered life and adult covered life and for payment of the corresponding assessment to the department. The department shall establish by rule the frequency, schedule, and methodology of the assessments that the assessed entities shall be subject to.

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

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

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

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

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

§325- Reports and audits. (a) The department shall audit assessed entities and providers in accordance with the reporting and compliance requirements of the program. Each assessed entity shall report its number of child and adult covered lives according to a schedule determined by the director and respond to any requests by the director related to covered lives or assessments due. Any assessed entity that fails to respond to an audit request within ten business days of the receipt of notification of audit request shall be responsible for prompt payment of fees of any outside auditor engaged by the department to determine the information and shall make all records requested by the department-engaged auditors available for inspection and copying at the location within the State as specified by the auditor.

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

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

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

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

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

§325- Available choices. The department shall purchase immunizations through the federal Centers for Disease Control and Prevention contracted price list, or other group purchasing negotiated discount rate, for which costs are funded pursuant to this part. The department may make purchases from available immunizations based on health care provider requests and shall not limit the immunizations the department purchases from those available at a discounted rate; provided that the department may choose to not purchase a specific immunization that has a low volume of statewide health care provider requests.

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

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

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

- (1) Special out-of-school time instructional program fund under section 302A-1310;
- (2) School cafeteria special funds of the department of education;
- (3) Special funds of the University of Hawaii;
- (4) Convention center enterprise special fund under section 201B-8;
- (5) Special funds established by section 206E-6;
- (6) Aloha Tower fund created by section 206J-17;
- (7) Funds of the employees' retirement system created by section 88-109;
- (8) Hawaii hurricane relief fund established under chapter 431P;
- (9) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;
- (10) Universal service fund established under section 269-42;
- (11) Emergency and budget reserve fund under section 328L-3;
- (12) Public schools special fees and charges fund under section 302A-1130;
- (13) Sport fish special fund under section 187A-9.5;

- (14) Neurotrauma special fund under section 321H-4;
 - (15) Glass advance disposal fee established by section 342G-82;
 - (16) Center for nursing special fund under section 304A-2163;
 - (17) Passenger facility charge special fund established by section 261-5.5;
 - (18) Solicitation of funds for charitable purposes special fund established by section 467B-15;
 - (19) Land conservation fund established by section 173A-5;
 - (20) Court interpreting services revolving fund under section 607-1.5;
 - (21) Trauma system special fund under section 321-22.5;
 - (22) Hawaii cancer research special fund;
 - (23) Community health centers special fund;
 - (24) Emergency medical services special fund;
 - (25) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
 - (26) Shared services technology special fund under section 27-43;
 - (27) Automated victim information and notification system special fund established under section 353-136;
 - (28) Deposit beverage container deposit special fund under section 342G-104;
 - (29) Hospital sustainability program special fund under section 346G-4;
 - (30) Nursing facility sustainability program special fund under section 346F-4;
 - (31) Hawaii 3R's school improvement fund under section 302A-1502.4;
 - (32) After-school plus program revolving fund under section 302A-1149.5;
 - (33) Civil monetary penalty special fund under section 321-30.2; ~~and~~
 - ~~[(34)]~~ Stadium development special fund under section 109-3.5[; and
 - ~~(35) Universal immunization purchase special fund under section 325-~~
- shall deduct five per cent of all receipts of all other special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year."

SECTION 4. Provided that of the general fund appropriation for health - general administration (program ID HTH 907), contained in the final version of House Bill No. 300¹ passed by the legislature in the regular session of 2025, the sum of \$934,000 or so much thereof as may be necessary for fiscal year 2025-2026 shall be deposited into the universal immunization purchase special fund.

SECTION 5. There is appropriated out of the universal immunization purchase special fund the sum of \$934,000 or so much thereof as may be necessary for fiscal year 2025-2026 for the purchase of immunizations and the administration of the universal immunization funding program.

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

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

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SECTION 7. This Act shall take effect on July 1, 2025.
(Approved June 4, 2025.)

Note

1. Act 250.