

S.B. NO. 1434

JAN 23 2025

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

S.B. NO. 1434

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

S.B. NO. 1434

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

S.B. NO. 1434

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

S.B. NO. 1434

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.

S.B. NO. 1434

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;

S.B. NO. 1434

- 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

S.B. NO. 1434

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

S.B. NO. 1434

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

S.B. NO. 1434

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

S.B. NO. 1434

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

S.B. NO. 1434

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

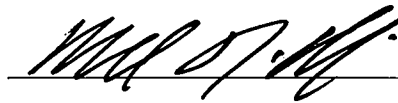
3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$_____ or so
5 much thereof as may be necessary for the fiscal year 2025-2026
6 to be deposited into the universal immunization purchase special
7 fund.

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.

17
18 INTRODUCED BY: _____



19 BY REQUEST

S.B. NO. 1434

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

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.