

REFERENCE TITLE: ambulance services; certificates of necessity

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

HB 2634

Introduced by
Representative Ugenti

AN ACT

AMENDING SECTIONS 36-2232 AND 36-2234, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 21.1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2234.01; AMENDING SECTIONS 36-2239 AND 36-2242, ARIZONA REVISED STATUTES; MAKING AN APPROPRIATION; RELATING TO AMBULANCE SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-2232, Arizona Revised Statutes, is amended to
3 read:

4 36-2232. Director; powers and duties; regulation of ambulance
5 services; inspections; response time compliance

6 A. The director shall adopt rules to regulate the operation of
7 ambulances and ambulance services in this state. Each rule shall identify
8 all sections and subsections of this chapter under which the rule was
9 formulated. The rules shall provide for the department to do the following:

10 1. Determine, fix, alter and regulate just, reasonable and sufficient
11 rates and charges for the provision of ambulances, including rates and
12 charges for advanced life support service, basic life support service,
13 patient loaded mileage, standby waiting, subscription service contracts and
14 other contracts for services related to the provision of ambulances. The
15 director may establish a rate and charge structure as defined by federal
16 medicare guidelines for ambulance services. The director shall inform all
17 ambulance services of the procedures and methodology used to determine
18 ambulance rates or charges.

19 2. Regulate operating and response times of ambulances to meet the
20 needs of the public and to ensure adequate service. The rules adopted by the
21 director for certificated ambulance service response times shall include
22 uniform standards for urban, suburban, rural and wilderness geographic areas
23 within the certificate of necessity based on, at a minimum, population
24 density, geographic and medical considerations.

25 3. Determine, fix, alter and regulate bases of operation. The
26 director may issue a certificate of necessity to more than one ambulance
27 service within any base of operation. For the purposes of this paragraph,
28 "base of operation" means a service area granted under a certificate of
29 necessity.

30 4. Issue, amend, transfer, suspend or revoke certificates of necessity
31 under terms consistent with this article.

32 5. Prescribe a uniform system of accounts to be used by ambulance
33 services that conforms to standard accounting forms and principles for the
34 ambulance industry and generally accepted accounting principles.

35 6. Require the filing of an annual financial report and other data.
36 These rules shall require an ambulance service to file the report with the
37 department not later than one hundred eighty days after the completion of its
38 annual accounting period. **THESE RULES SHALL ALSO REQUIRE EVERY AMBULANCE
39 SERVICE TO FILE WITH THE DEPARTMENT A SEPARATE AUDITED FINANCIAL STATEMENT
40 FOR THOSE ACTIVITIES CONDUCTED UNDER EACH DISTINCT CERTIFICATE OF NECESSITY
41 NOT LATER THAN ONE HUNDRED EIGHTY DAYS AFTER THE COMPLETION OF ITS ANNUAL
42 ACCOUNTING PERIOD. UNTIL THE DEPARTMENT ADOPTS RULES PURSUANT TO THIS
43 PARAGRAPH, BEGINNING JANUARY 1, 2015, EVERY AMBULANCE SERVICE MUST FILE WITH
44 THE DEPARTMENT A SEPARATE AUDITED FINANCIAL STATEMENT FOR THOSE ACTIVITIES**

1 CONDUCTED UNDER EACH DISTINCT CERTIFICATE OF NECESSITY NOT LATER THAN ONE
2 HUNDRED EIGHTY DAYS AFTER THE COMPLETION OF ITS ANNUAL ACCOUNTING PERIOD.

3 7. Regulate ambulance services in all matters affecting services to
4 the public to the end that this article may be fully carried out.

5 8. Prescribe bonding requirements, if any, for ambulance services
6 granted authority to provide any type of subscription service.

7 9. Offer technical assistance to ambulance services to maximize a
8 healthy and viable business climate for the provision of ambulances.

9 10. Offer technical assistance to ambulance services in order to obtain
10 or to amend a certificate of necessity.

11 11. Inspect, at a maximum of twelve-month intervals, each ambulance
12 registered pursuant to section 36-2212 to ensure that the vehicle is
13 operational and safe and that all required medical equipment is operational.
14 At the request of the provider, the inspection may be performed by a facility
15 approved by the director. If a provider requests that the inspection be
16 performed by a facility approved by the director, the provider shall pay the
17 cost of the inspection.

18 B. The director may require any ambulance service offering
19 subscription service contracts to obtain a bond in an amount determined by
20 the director that is based on the number of subscription service contract
21 holders and to file the bond with the director for the protection of all
22 subscription service contract holders in this state who are covered under
23 that subscription contract.

24 C. An ambulance service shall:

25 1. Maintain, establish, add, move or delete suboperation stations
26 within its base of operation to ensure that the ambulance service meets the
27 established response times or those approved by the director in a political
28 subdivision contract.

29 2. Determine the operating hours of its suboperation stations to
30 provide for coverage of its base of operation.

31 3. Provide the department with a list of suboperation station
32 locations.

33 4. Notify the department not later than thirty days after the
34 ambulance service makes a change in the number or location of its
35 suboperation stations.

36 D. At any time the director or the director's agents may:

37 1. Inquire into the operation of an ambulance service, including a
38 person operating an ambulance that has not been issued a certificate of
39 registration or a person who does not have or is operating outside of a
40 certificate of necessity.

41 2. Conduct on-site inspections of facilities, communications
42 equipment, vehicles, procedures, materials and equipment.

43 3. Review the qualifications of ambulance attendants.

1 E. If all ambulance services that have been granted authority to
2 operate within the same service area or that have overlapping certificates of
3 necessity apply for uniform rates and charges, the director may establish
4 uniform rates and charges for the service area.

5 F. In consultation with the medical director of the emergency medical
6 services and trauma system, the emergency medical services council and the
7 medical direction commission, the director of the department of health
8 services shall establish protocols for ambulance services to refer and advise
9 a patient or transport a patient by the most appropriate means to the most
10 appropriate provider of medical services based on the patient's condition.
11 The protocols shall include triage and treatment protocols that allow all
12 classifications of emergency medical care technicians responding to a person
13 who has accessed 911, or a similar public dispatch number, for a condition
14 that does not pose an immediate threat to life or limb to refer and advise a
15 patient or transport a patient to the most appropriate health care
16 institution as defined in section 36-401 based on the patient's condition,
17 taking into consideration factors including patient choice, the patient's
18 health care provider, specialized health care facilities and local protocols.

19 G. The director, when reviewing an ambulance service's response time
20 compliance with its certificate of necessity, shall consider in addition to
21 other factors the effect of hospital diversion, delayed emergency department
22 admission and the number of ambulances engaged in response or transport in
23 the affected area.

24 Sec. 2. Section 36-2234, Arizona Revised Statutes, is amended to read:
25 36-2234. Hearings; waiver of hearing; emergency action;
26 judicial review

27 A. The director shall require a public hearing on any proposed action
28 related to rates, fares or charges, operating or response times, ~~OR~~ bases of
29 operation ~~or certificates of necessity~~ unless subsection C, E, ~~or~~ M of this
30 section applies.

31 B. A public hearing held pursuant to subsection A of this section
32 shall meet the following requirements:

33 1. The hearing shall be held pursuant to title 41, chapter 6,
34 article 10.

35 2. The director shall mail notice of the hearing to every ambulance
36 service in the affected region no later than fifteen days before the hearing.

37 3. The director may mail notice to other persons who the director
38 determines are interested in the hearing.

39 4. In a hearing or rehearing conducted pursuant to this article, an
40 ambulance service may be represented by a corporate officer, an employee or a
41 designee who has been specifically authorized by the ambulance service to
42 represent it.

43 C. The director may waive the hearing required under subsection A of
44 this section if notification, including a general description of the proposed

1 action of the department and the time and manner for any interested person to
2 request a hearing, is given and all of the following apply:

3 1. Notification of the proposed action has been sent to every
4 ambulance service in the affected region no later than fifteen days before
5 the action.

6 2. The director has notified other persons who the director determines
7 are interested in the proposed action no later than fifteen days before the
8 action.

9 3. The director has published notice of the proposed action in a
10 newspaper of general circulation in the affected region at least once each
11 week for two consecutive weeks before the action is taken.

12 4. The director has received no requests within the fifteen-day
13 notification period for a hearing to be held on the proposed action.

14 D. If the director receives a request pursuant to subsection C,
15 paragraph 4 of this section, the director shall hold a hearing in compliance
16 with subsection B of this section.

17 E. The director shall not hold a hearing if a person requests a
18 hearing regarding a rate increase that does not exceed the amount computed as
19 follows:

20 1. Determine the percentage growth in the transportation consumer
21 price index of the United States department of labor, bureau of labor
22 statistics, from the end of the second preceding calendar year to the
23 calendar year immediately preceding the calendar year for which the rate
24 increase is requested.

25 2. Determine the percentage growth in the medical care consumer price
26 index of the United States department of labor, bureau of labor statistics,
27 from the end of the second preceding calendar year to the calendar year
28 immediately preceding the calendar year for which the rate increase is
29 requested.

30 3. Add the amount determined in paragraph 1 of this subsection to the
31 amount determined in paragraph 2 of this subsection and divide the sum by
32 two.

33 F. A rate increase authorized pursuant to subsection E of this section
34 is deemed to be fixed by the department at the requested level.
35 Notwithstanding subsection C of this section, the department shall hold a
36 hearing pursuant to section 36-2232, subsection E for any proposed uniform
37 rate or charge that exceeds the annual rate increase prescribed in subsection
38 E of this section. The department shall require the applicants to submit the
39 following information signed by the designated financial officer and the
40 chief executive of the ambulance service who has fiduciary responsibility for
41 providing accurate financial information:

42 1. A financial statement for the previous twenty-four months relating
43 to the certificated areas.

44 2. Any additional information the department requires to analyze the
45 request.

1 G. If an ambulance service with an established general public rate
2 applies for a contract rate or range of rates that is up to thirty per cent
3 less than its established rate, the director shall grant the rate without a
4 public hearing or waiver, and without any right of intervention, unless
5 within ninety days of the filing of a completed application the director
6 determines that the contract rate or range of rates applied for does not
7 accurately reflect the cost and economics of providing the contract services,
8 would adversely affect the service available to the general public in the
9 area of service as designated by its certificate of necessity or would cause
10 any fixed rate, fare or charge to the general public to be adversely
11 affected.

12 H. If the department disallows a proposed contract rate pursuant to
13 subsection G of this section, the ambulance service has a right to a hearing
14 for review of the proposed contract rate or range of rates.

15 I. The director may adopt rules for the establishment of a contract
16 rate or range of rates that may be implemented and that exceeds the thirty
17 per cent rate variance identified pursuant to subsection G of this section.

18 J. Subsections G, H and I of this section are limited to contract
19 rates or a range of rates applied for prescheduled, interfacility or
20 convalescent transports.

21 K. A service contract between an ambulance service and a political
22 subdivision of this state, including local fire districts, shall be filed
23 with and approved by the department in accordance with the following
24 requirements:

25 1. On receipt of the proposed contract, the department has fifteen
26 days to review the contract and notify the ambulance service of any
27 additional information the department requires, recommended corrections or
28 any provision that does or may violate this article.

29 2. The ambulance service has fifteen days to provide the department
30 with the information requested or to submit a revised or amended contract if
31 required under paragraph 1 of this subsection.

32 3. The contract becomes effective fifteen days after the ambulance
33 service complies with the department's request unless the department
34 determines that any rate or charge or other provisions specified in the
35 contract will cause any fixed rate or charge to the general public rate to be
36 adversely affected or the contract would be in violation of the ambulance
37 service's certificate of necessity.

38 4. If the department disallows a proposed contract pursuant to this
39 subsection, the ambulance service has a right to a hearing for review of the
40 proposed contract.

41 5. The rates and charges contained in the contract are the rates and
42 charges fixed by the director in a decision or order for the ambulance
43 service and conform to the ambulance service's current or subsequent general
44 public rates and charges.

1 6. The area of response is within the ambulance service's certificated
2 area.

3 L. In case of emergency, the director may take action providing for
4 immediate suspension of a certificate of registration or a certificate of
5 necessity, or both, under this section without notice or a hearing if the
6 director determines that a potential threat to the public health and safety
7 exists. If such action is taken by the director, the director shall conduct
8 a hearing within ten days after the date of the director's action unless the
9 person against whom the action is directed waives the right to have a hearing
10 held within ten days. If the ten-day hearing requirement is waived, the
11 director shall set a date mutually agreeable to the interested parties. The
12 purpose of the hearing is to review the decision of the director to take such
13 action. The director shall make findings of fact and may continue, suspend
14 or modify the director's action.

15 M. The director shall waive the hearing required under subsection A of
16 this section if geographical changes in suboperation stations do not alter
17 the service area or adversely affect approved response times.

18 N. Except as provided in section 41-1092.08, subsection H, a final
19 decision of the director is subject to judicial review pursuant to title 12,
20 chapter 7, article 6.

21 Sec. 3. Title 36, chapter 21.1, article 2, Arizona Revised Statutes,
22 is amended by adding section 36-2234.01, to read:

23 36-2234.01. Certificates of necessity; comment period; hearing
24 process; determination; review

25 A. DURING THE SUBSTANTIVE REVIEW TIME FRAME, AS DEFINED IN SECTION
26 41-1072, THE DIRECTOR SHALL PROVIDE NOTICE TO THE CURRENT AMBULANCE SERVICE
27 THAT HOLDS THE CERTIFICATE OF NECESSITY, THE ARIZONA HEALTH CARE COST
28 CONTAINMENT SYSTEM ADMINISTRATION AND THE AFFECTED LOCAL GOVERNMENT OF THE
29 OPPORTUNITY TO COMMENT ON THE PROPOSED CERTIFICATE OF NECESSITY AND THAT ANY
30 FILING MUST CLEARLY STATE ANY OBJECTIONS THE AFFECTED PARTY HAS TO GRANTING
31 THE PROPOSED CERTIFICATE OF NECESSITY AND THE REASONS THAT THE APPLICANT DOES
32 NOT MEET THE CRITERIA TO HOLD THE PROPOSED CERTIFICATE OF NECESSITY. THE
33 DIRECTOR SHALL MAKE RECOMMENDATIONS, CONSIDERING THE COMMENTS PROVIDED DURING
34 THE COMMENT PERIOD BY THE CURRENT AMBULANCE SERVICE THAT HOLDS THE
35 CERTIFICATE OF NECESSITY, THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
36 ADMINISTRATION AND THE AFFECTED LOCAL GOVERNMENT, ON THE PROPOSED CERTIFICATE
37 OF NECESSITY WITHIN FIFTEEN DAYS AFTER THE END OF THE SUBSTANTIVE REVIEW TIME
38 FRAME.

39 B. THE DIRECTOR SHALL HOLD A PUBLIC HEARING ON THE RECOMMENDATIONS
40 REGARDING THE PROPOSED CERTIFICATE OF NECESSITY THAT IS LIMITED TO ONLY THE
41 FOLLOWING ISSUES:

42 1. THE RECOMMENDATIONS OF THE DIRECTOR AS ARTICULATED IN THE NOTICE OF
43 HEARING.

44 2. THE EXPRESSED OBJECTIONS THAT WERE PROVIDED DURING THE COMMENT
45 PERIOD BY THE CURRENT AMBULANCE SERVICE THAT HOLDS THE CERTIFICATE OF

1 NECESSITY, THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION AND
2 THE AFFECTED LOCAL GOVERNMENT.

3 C. THE PUBLIC HEARING HELD PURSUANT TO SUBSECTION B OF THIS SECTION
4 MUST BE HELD PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10. THE DIRECTOR SHALL
5 MAIL NOTICE OF THE HEARING TO THE AFFECTED PARTIES WHO PROVIDED SUBSTANTIVE
6 OBJECTIONS TO THE PROPOSED CERTIFICATE OF NECESSITY DURING THE COMMENT PERIOD
7 PURSUANT TO SUBSECTION A OF THIS SECTION.

8 D. IN A HEARING CONDUCTED PURSUANT TO THIS SECTION, AN AMBULANCE
9 SERVICE MAY BE REPRESENTED BY A CORPORATE OFFICER, AN EMPLOYEE OR A DESIGNEE
10 WHO HAS BEEN SPECIFICALLY AUTHORIZED BY THE AMBULANCE SERVICE TO REPRESENT
11 IT.

12 E. THE DIRECTOR SHALL MAKE A FINAL DETERMINATION REGARDING THE
13 PROPOSED CERTIFICATE OF NECESSITY WITHIN SIXTY DAYS AFTER THE PUBLIC HEARING
14 IS HELD.

15 F. EXCEPT AS PROVIDED IN SECTION 41-1092.08, SUBSECTION H, A FINAL
16 DECISION OF THE DIRECTOR IS SUBJECT TO JUDICIAL REVIEW PURSUANT TO TITLE 12,
17 CHAPTER 7, ARTICLE 6.

18 Sec. 4. Section 36-2239, Arizona Revised Statutes, is amended to read:
19 36-2239. Rates or charges of ambulance service

20 A. An ambulance service that applies for an adjustment in its rates or
21 charges shall automatically be granted a rate increase equal to the amount
22 determined under section 36-2234, subsection E, if the ambulance service is
23 so entitled. An automatic rate adjustment that is granted pursuant to this
24 subsection and that is filed on or before April 1 is effective June 1 of that
25 year. The department shall notify the applicant and each health care
26 services organization as defined in section 20-1051 of the rate adjustment on
27 or before May 1 of that year.

28 B. Notwithstanding subsection E of this section, if the department
29 does not hold a hearing within ninety days after an ambulance service submits
30 an application to the department for an adjustment of its rates or charges,
31 the ambulance service may adjust its rates or charges to an amount not to
32 exceed the amount sought by the ambulance service in its application to the
33 department. An ambulance service shall not apply for an adjustment of its
34 rates or charges more than once every six months.

35 C. At the time it holds a hearing on the rates or charges of an
36 ambulance service pursuant to section 36-2234, the department may adjust the
37 rates or charges adjusted by the ambulance service pursuant to subsection B
38 of this section, but the adjustment shall not be retroactive.

39 D. Except as provided in subsection H of this section, an ambulance
40 service shall not charge, demand or collect any remuneration for any service
41 greater or less than or different from the rate or charge determined and
42 fixed by the department as the rate or charge for that service. An ambulance
43 service may charge for disposable supplies, medical supplies and medication
44 and oxygen related costs if the charges do not exceed the manufacturer's
45 suggested retail price, are uniform throughout the ambulance service's

1 certificated area and are filed with the director. An ambulance service
2 shall not refund or limit in any manner or by any device any portion of the
3 rates or charges for a service that the department has determined and fixed
4 or ordered as the rate or charge for that service.

5 E. The department shall determine and render its decision regarding
6 all rates or charges within ninety days after commencement of the applicant's
7 hearing for an adjustment of rates or charges. If the department does not
8 render its decision as required by this subsection, the ambulance service may
9 adjust its rates and charges to an amount that does not exceed the amounts
10 sought by the ambulance service in its application to the department. If the
11 department renders a decision to adjust the rates or charges to an amount
12 less than that requested in the application and the ambulance service has
13 made an adjustment to its rates and charges that is higher than the
14 adjustment approved by the department, within thirty days after the
15 department's decision the ambulance service shall refund to the appropriate
16 ratepayer the difference between the ambulance service's adjusted rates and
17 charges and the rates and charges ordered by the department. The ambulance
18 service shall provide evidence to the department that the refund has been
19 made. If the ambulance service fails to comply with this subsection, the
20 director may impose a civil penalty subject to the limitations provided in
21 section 36-2245.

22 F. An ambulance service shall charge the advanced life support base
23 rate as prescribed by the director under any of the following circumstances:

24 1. A person requests an ambulance by dialing telephone number 911, or
25 a similarly designated telephone number for emergency calls, and the
26 ambulance service meets the following:

27 (a) The ambulance is staffed with at least ~~one~~ TWO ambulance ~~attendant~~
28 ATTENDANTS, ONE OF WHOM IS ABLE TO PROVIDE ADVANCED LIFE SUPPORT SERVICES.

29 (b) The ambulance is equipped with all required advanced life support
30 medical equipment and supplies for the advanced life support attendants in
31 the ambulance.

32 (c) The patient receives advanced life support services or is
33 transported by the advanced life support unit.

34 2. Advanced life support is requested by a medical authority or by the
35 patient.

36 3. The ambulance attendants administer one or more specialized
37 treatment activities or procedures as prescribed by the department by rule.

38 G. An ambulance service shall charge the basic life support base rate
39 as prescribed by the director under any of the following circumstances:

40 1. A person requests an ambulance by dialing telephone number 911, or
41 a similarly designated telephone number for emergency calls, and the
42 ambulance service meets the following:

43 (a) The ambulance is staffed with ~~two~~ ONE ambulance ~~attendants~~
44 ATTENDANT certified by this state.

1 (b) The ambulance is equipped with all required basic life support
2 medical equipment and supplies for the basic life support medical attendants
3 in the ambulance.

4 (c) The patient receives basic life support services or is transported
5 by the basic life support unit.

6 2. Basic life support transportation or service is requested by a
7 medical authority or by the patient, unless any provision of subsection F of
8 this section applies, in which case the advanced life support rate shall
9 apply.

10 H. For each contract year, the Arizona health care cost containment
11 system administration and its contractors and subcontractors shall provide
12 remuneration for ambulance services for persons who are enrolled in or
13 covered by the Arizona health care cost containment system in an amount equal
14 to eighty per cent of the amounts as prescribed by the department as of July
15 1 of each year for services specified in subsections F and G of this section
16 and eighty per cent of the mileage charges as determined by the department as
17 of July 1 of each year pursuant to section 36-2232. The Arizona health care
18 cost containment system administration shall make annual adjustments to the
19 Arizona health care cost containment system fee schedule according to the
20 department's approved ambulance service rate in effect as of July 1 of each
21 year. The rate adjustments made pursuant to this subsection are effective
22 beginning October 1 of each year.

23 I. In establishing rates and charges the director shall consider the
24 following factors:

25 1. The transportation needs assessment of the medical response system
26 in a political subdivision.

27 2. The medical care consumer price index of the United States
28 department of labor, bureau of labor statistics.

29 3. Whether a review is made by a local emergency medical services
30 coordinating system in regions where that system is designated as to the
31 appropriateness of the proposed service level.

32 4. The rate of return on gross revenue.

33 5. Response times pursuant to section 36-2232, subsection A,
34 paragraph 2.

35 J. Notwithstanding section 36-2234, an ambulance service may charge an
36 amount for medical assessment, equipment or treatment that exceeds the
37 requirements of section 36-2205 if requested or required by a medical
38 provider or patient.

39 K. Notwithstanding subsections D, F and G of this section, an
40 ambulance service may provide gratuitous services if an ambulance is
41 dispatched and the patient subsequently declines to be treated or
42 transported.

1 Sec. 5. Section 36-2242, Arizona Revised Statutes, is amended to read:
2 36-2242. Temporary authority to operate in emergency
3 circumstances; application; application to provide
4 permanent service

5 A. If the director determines that there is an immediate and urgent
6 need for service to one or more points or within an area lacking adequate
7 ambulance service, the director ~~may~~, at his discretion ~~and without a hearing~~
8 ~~or other proceeding~~, **MAY** grant an ambulance service temporary authority to
9 provide the needed **AMBULANCE** service **TO AN EXISTING AMBULANCE SERVICE OR A**
10 **POLITICAL SUBDIVISION**. The temporary authority is valid for the period
11 specified by the director, not to exceed ninety days, and may ~~not~~ be renewed
12 **FOR AN ADDITIONAL PERIOD OF UP TO NINETY DAYS AFTER A PUBLIC HEARING BY THE**
13 **DIRECTOR REGARDING THE NEED FOR THE EXTENSION**.

14 B. An applicant for temporary authority pursuant to this section shall
15 submit to the director a verified written statement setting forth the
16 circumstances of the immediate and urgent need for service. The director
17 shall prescribe a temporary schedule of rates and charges, which shall not
18 exceed rates and charges established by the director for similar services.

19 C. The department ~~may~~ **SHALL** make an independent investigation to
20 determine whether there is an immediate and urgent need for the authority
21 requested **AND SHALL HOLD A PUBLIC HEARING TO RECEIVE PUBLIC COMMENTS**
22 **REGARDING THE REQUEST**.

23 D. During the period of temporary authority, ~~a person~~ **THE AMBULANCE**
24 **SERVICE OR POLITICAL SUBDIVISION** granted temporary authority shall file an
25 application for a certificate of necessity to conduct the service if ~~he~~
26 ~~intends~~ **THE INTENTION IS** to continue the service after the **TIME PERIOD**
27 **GRANTED BY THE DIRECTOR FOR** temporary authority expires. A grant of
28 temporary authority pursuant to this section does not create a presumption
29 that permanent authority for the service should be granted.

30 Sec. 6. Department of health services; rulemaking; exemption

31 The department of health services shall adopt rules that:

32 1. Modify the period during the administrative completeness review
33 time frame, as defined in section 41-1072, Arizona Revised Statutes, to
34 require the applicant to respond to the department of health services within
35 forty-five days after receiving notice that the application is incomplete.

36 2. Require the department to provide notice to the current ambulance
37 service that holds the certificate of necessity, the Arizona health care cost
38 containment system administration and the affected local government at the
39 beginning of the substantive review time frame, as defined in section
40 41-1072, Arizona Revised Statutes, that an application has been filed and of
41 the opportunity to participate in the substantive review process.

42 3. Reduce the substantive review time frame, as defined in section
43 41-1072, Arizona Revised Statutes, to three hundred sixty-five days.

44 4. Require that the same information be submitted for an adjustment of
45 general public rates regardless of the monetary amount calculated according

1 to section 36-2234, subsection E, Arizona Revised Statutes, and that the
2 information include the information that was required by rule on the
3 effective date of this act for an adjustment of general public rates
4 exceeding the monetary amount calculated according to section 36-2234,
5 subsection E, Arizona Revised Statutes.

6 B. For the purposes of this act, the department of health services is
7 exempt from the rulemaking requirements of title 41, chapter 6, Arizona
8 Revised Statutes, for one year after the effective date of this act.

9 Sec. 7. Appropriation; department of health services; contract

10 A. The sum of \$150,000 is appropriated from the emergency medical
11 services operating fund established by section 36-2218, Arizona Revised
12 Statutes, in fiscal year 2014-2015 to the department of health services to
13 contract with an entity to study how other states regulate emergency medical
14 services and the viability of establishing a competitive bidding process in
15 metropolitan areas of this state.

16 B. On or before November 1, 2015, the department shall report to the
17 health committee in the house of representatives and the health and human
18 services committee in the senate, or their successor committees, the results
19 of the study prescribed by subsection A of this section.