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

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

36-2232. Director; powers and duties; regulation of ambulance services; inspections; response time compliance; mileage rate calculation factors

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

1. CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION H OF THIS SECTION, determine, fix, alter and regulate just, reasonable and sufficient rates and charges for the provision of ambulances, including rates and charges for advanced life support service, basic life support service, patient loaded mileage, standby waiting, subscription service contracts and other contracts for services related to the provision of ambulances. The director may establish a rate and charge structure as defined by federal medicare guidelines for ambulance services. The director shall inform all ambulance services of the procedures and methodology used to determine ambulance rates or charges.

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

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

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

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

6. Require the filing of an annual financial report and other data. These rules shall require an ambulance service to file the report with the department not later than one hundred eighty days after the completion of its annual accounting period.

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

8. Prescribe bonding requirements, if any, for ambulance services granted authority to provide any type of subscription service.
9. Offer technical assistance to ambulance services to maximize a healthy and viable business climate for the provision of ambulances.

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

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

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

C. An ambulance service shall:
   1. Maintain, establish, add, move or delete suboperation stations within its base of operation to ensure that the ambulance service meets the established response times or those approved by the director in a political subdivision contract.
   2. Determine the operating hours of its suboperation stations to provide for coverage of its base of operation.
   3. Provide the department with a list of suboperation station locations.
   4. Notify the department not later than thirty days after the ambulance service makes a change in the number or location of its suboperation stations.

D. At any time, the director or the director's agents may:
   1. Inquire into the operation of an ambulance service, including a person operating an ambulance that has not been issued a certificate of registration or a person who does not have or is operating outside of a certificate of necessity.
   2. Conduct on-site inspections of facilities, communications equipment, vehicles, procedures, materials and equipment.
   3. Review the qualifications of ambulance attendants.

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

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

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

H. THE DEPARTMENT SHALL INCORPORATE ALL OF THE FOLLOWING FACTORS WHEN CALCULATING THE PROPOSED MILEAGE RATE:

1. THE COST OF LICENSURE AND REGISTRATION OF EACH GROUND AMBULANCE VEHICLE.
2. THE COST OF FUEL.
3. THE COST OF GROUND AMBULANCE VEHICLE MAINTENANCE.
4. THE COST OF GROUND AMBULANCE VEHICLE REPAIR.
5. THE COST OF TIRES.
6. THE COST OF GROUND AMBULANCE VEHICLE INSURANCE.
7. THE COST OF MECHANIC WAGES, BENEFITS AND PAYROLL TAXES.
8. THE COST OF LOAN INTEREST RELATED TO THE GROUND AMBULANCE VEHICLES.
9. THE COST OF THE WEIGHTED ALLOCATION OF OVERHEAD.
10. THE COST OF GROUND AMBULANCE VEHICLE DEPRECIATION.
11. THE COST OF RESERVES FOR REPLACEMENT OF GROUND AMBULANCE VEHICLES AND EQUIPMENT.

APPROVED BY THE GOVERNOR MAY 3, 2022.