Senate Engrossed House Bill

ambulance services; service areas
(now: ambulance services; certificates of necessity)

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

CHAPTER 381

HOUSE BILL 2609

AN ACT

AMENDING SECTIONS 36-2201, 36-2202, 36-2232, 36-2233, 36-2234, 36-2236,
36-2239, 36-2242 AND 36-2246, ARIZONA REVISED STATUTES; RELATING TO
EMERGENCY MEDICAL SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 36-2201, Arizona Revised Statutes, is amended to read:

36-2201. Definitions

In this chapter, unless the context otherwise requires:

1. "Administrative medical direction" means supervision of emergency medical care technicians by a base hospital medical director, administrative medical director or basic life support medical director. For the purposes of this paragraph, "administrative medical director" means a physician who is licensed pursuant to title 32, chapter 13 or 17 and who provides direction within the emergency medical services and trauma system.

2. "Advanced emergency medical technician" means a person who has been trained in an advanced emergency medical technician program certified by the director or in an equivalent training program and who is certified by the director to render services pursuant to section 36-2205.

3. "Advanced life support" means the level of assessment and care identified in the scope of practice approved by the director for the advanced emergency medical technician, emergency medical technician I-99 and paramedic.

4. "Advanced life support base hospital" means a health care institution that offers general medical and surgical services, that is certified by the director as an advanced life support base hospital and that is affiliated by written agreement with a licensed ambulance service, municipal rescue service, fire department, fire district or health services district for medical direction, evaluation and control of emergency medical care technicians.

5. "Ambulance":
   (a) Means any publicly or privately owned surface, water or air vehicle, including a helicopter, that contains a stretcher and necessary medical equipment and supplies pursuant to section 36-2202 and that is especially designed and constructed or modified and equipped to be used, maintained or operated primarily for the transportation of individuals who are sick, injured or wounded or who require medical monitoring or aid.
   (b) Does not include a surface vehicle that is owned and operated by a private sole proprietor, partnership, private corporation or municipal corporation for the emergency transportation and in-transit care of its employees or a vehicle that is operated to accommodate an incapacitated person or person with a disability who does not require medical monitoring, care or treatment during transport and that is not advertised as having medical equipment and supplies or ambulance attendants.
6. "Ambulance attendant" means any of the following:
   (a) An emergency medical technician, an advanced emergency medical
techician, an emergency medical technician I-99 or a paramedic whose
primary responsibility is the care of patients in an ambulance and who
meets the standards and criteria adopted pursuant to section 36-2204.
   (b) An emergency medical responder who is employed by an ambulance
service operating under section 36-2202 and whose primary responsibility
is the driving of an ambulance.
   (c) A physician who is licensed pursuant to title 32, chapter 13
or 17.
   (d) A professional nurse who is licensed pursuant to title 32,
chapter 15 and who meets the state board of nursing criteria to care for
patients in the prehospital care system.
   (e) A professional nurse who is licensed pursuant to title 32,
chapter 15 and whose primary responsibility is the care of patients in an
ambulance during an interfacility transport.
7. "Ambulance service" means a person who owns and operates one or
more ambulances.
8. "Basic life support" means the level of assessment and care
identified in the scope of practice approved by the director for the
emergency medical responder and emergency medical technician.
9. "Bureau" means the bureau of emergency medical services and
trauma system in the department.
10. "Centralized medical direction communications center" means a
facility that is housed within a hospital, medical center or trauma center
or a freestanding communication center that meets the following criteria:
   (a) Has the ability to communicate with ambulance services and
emergency medical services providers rendering patient care outside of the
hospital setting via radio and telephone.
   (b) Is staffed twenty-four hours a day seven days a week by at
least a physician licensed pursuant to title 32, chapter 13 or 17.
11. "Certificate of necessity" means a certificate that is issued to
an ambulance service by the department and that describes the following:
   (a) THE service area.
   (b) THE level of service.
   (c) THE type of service.
   (d) THE hours of operation.
   (e) THE effective date.
   (f) THE expiration date.
   (g) THE legal name and address of the ambulance service.
   (h) THE any limiting or special provisions the director prescribes.
12. "Council" means the emergency medical services council.
13. "Department" means the department of health services.
14. "Director" means the director of the department of health
services.
15. "Emergency medical care technician" means an individual who has been certified by the department as an emergency medical technician, an advanced emergency medical technician, an emergency medical technician I-99 or a paramedic.

16. "Emergency medical responder" as an ambulance attendant, WHOSE PRIMARY RESPONSIBILITY IS DRIVING AN AMBULANCE, means a person who has been trained SUCCESSFULLY COMPLETED TRAINING in an emergency medical responder program THAT IS certified by the director or in an equivalent training program and who is certified by the director to render services pursuant to section 36-2205 OR WHO IS APPROVED BY THE EMERGENCY MEDICAL SERVICES PROVIDER'S ADMINISTRATIVE MEDICAL DIRECTOR ON FILE WITH THE DEPARTMENT.

17. "EMERGENCY MEDICAL RESPONDER PROGRAM" MEANS A PROGRAM THAT INCLUDES AT LEAST THE FOLLOWING:
   (a) EMERGENCY VEHICLE DRIVER TRAINING.
   (b) CARDIOPULMONARY RESUSCITATION CERTIFICATION.
   (c) AUTOMATED EXTERNAL DEFIBRILLATOR TRAINING.
   (d) TRAINING IN THE USE OF NONINVASIVE DIAGNOSTIC DEVICES, INCLUDING BLOOD GLUCOSE MONITORS AND PULSE OXIMETERS.
   (e) TRAINING ON OBTAINING A PATIENT'S VITAL SIGNS, INCLUDING BLOOD PRESSURE, PULSE AND RESPIRATORY RATE.

18. "Emergency medical services" means those services required following an accident or an emergency medical situation:
   (a) For on-site emergency medical care.
   (b) For the transportation of TO TRANSPORT the sick or injured by a licensed ground or air ambulance.
   (c) In the use of USING emergency communications media.
   (d) In the use of USING emergency receiving facilities.
   (e) In administering initial care and preliminary treatment procedures by emergency medical care technicians.

19. "Emergency medical services provider" means any governmental entity, quasi-governmental entity or corporation whether public or private that renders emergency medical services in this state.

20. "Emergency medical technician" means a person who has been trained in an emergency medical technician program certified by the director or in an equivalent training program and who is certified by the director as qualified to render services pursuant to section 36-2205.

21. "Emergency receiving facility" means a licensed health care institution that offers emergency medical services, is staffed twenty-four hours a day and has a physician on call.

22. "Fit and proper" means that the director determines that an applicant for a certificate of necessity or a certificate holder has the expertise, integrity, fiscal competence and resources to provide ambulance service in the service area.
22. "Medical record" means any patient record, including clinical records, prehospital care records, medical reports, laboratory reports and statements, any file, film, record or report or oral statements relating to diagnostic findings, treatment or outcome of patients, whether written, electronic or recorded, and any information from which a patient or the patient's family might be identified.

23. "National certification organization" means a national organization that tests and certifies the ability of an emergency medical care technician and whose tests are based on national education standards.

24. "National education standards" means the emergency medical services education standards of the United States department of transportation or other similar emergency medical services education standards developed by that department or its successor agency.

25. "Paramedic" means a person who has been trained in a paramedic program certified by the director or in an equivalent training program and who is certified by the director to render services pursuant to section 36-2205.

26. "Physician" means any person licensed pursuant to title 32, chapter 13 or 17.

27. "Stretcher van" means a vehicle that contains a stretcher and that is operated to accommodate an incapacitated person or person with a disability who does not require medical monitoring, aid, care or treatment during transport.

28. "Suboperation station" means a physical facility or location at which an ambulance service conducts operations for the dispatch of ambulances and personnel and that may be staffed twenty-four hours a day or less as determined by system use.

29. "Trauma center" means any acute care hospital that provides in-house twenty-four-hour twenty-four-hour daily dedicated trauma surgical services that is designated pursuant to section 36-2225.

30. "Trauma registry" means data collected by the department on trauma patients and on the incidence, causes, severity, outcomes and operation of a trauma system and its components.

31. "Trauma system" means an integrated and organized arrangement of health care resources having the specific capability to perform triage, transport and provide care.

32. "Validated testing procedure" means a testing procedure that is inclusive of includes practical skills, or an attestation of attests practical skills proficiency on a form developed by the department by the educational training program, identified pursuant to section 36-2204, paragraph 2, that is certified as valid by an organization capable of determining testing procedure and testing content validity and that is recommended by the medical direction commission and the emergency medical services council before the director's approval.
"Wheelchair van" means a vehicle that contains or that is designed and constructed or modified to contain a wheelchair and that is operated to accommodate an incapacitated person or person with a disability who does not require medical monitoring, aid, care or treatment during transport.

Sec. 2. Section 36-2202, Arizona Revised Statutes, is amended to read:

36-2202. Duties of the director; qualifications of medical director

A. The director shall:

1. Appoint a medical director of the emergency medical services and trauma system.

2. Adopt standards and criteria for the denial or granting of certification and recertification of emergency medical care technicians. These standards shall allow the department to certify qualified emergency medical care technicians who have completed statewide standardized training required under section 36-2204, paragraph 1 and a standardized certification test required under section 36-2204, paragraph 2 or who hold valid certification with a national certification organization. Before the director may consider approving a statewide standardized training or a standardized certification test, or both, each of these must first be recommended by the medical direction commission and the emergency medical services council to ensure that the standardized training content is consistent with national education standards and that the standardized certification tests examines comparable material to that examined in the tests of a national certification organization.

3. Adopt standards and criteria that pertain to the quality of emergency care pursuant to section 36-2204.

4. Adopt rules necessary to carry out this chapter. Each rule shall identify all sections and subsections of this chapter under which the rule was formulated.

5. Adopt reasonable medical equipment, supply, staffing and safety standards, criteria and procedures for issuance of a certificate of registration to operate an ambulance.

6. Maintain a state system for recertifying emergency medical care technicians, except as otherwise provided by section 36-2202.01, that is independent from any national certification organization recertification process. This system shall allow emergency medical care technicians to choose to be recertified under the state or the national certification organization recertification system subject to subsection H of this section.

B. Emergency medical technicians who choose the state recertification process shall recertify in one of the following ways:

1. Successfully completing an emergency medical technician refresher course approved by the department.
2. Successfully completing an emergency medical technician challenge course approved by the department.

3. For emergency medical care technicians who are currently certified at the emergency medical technician level by the department, attesting on a form provided by the department that the applicant holds a valid and current cardiopulmonary resuscitation certification, has and will maintain documented proof of a minimum of twenty-four hours of continuing medical education within the last two years consistent with department rules and has functioned in the capacity of an emergency medical technician for at least two hundred forty hours during the last two years.

C. After consultation with the emergency medical services council, the director may authorize pilot programs designed to improve the safety and efficiency of ambulance inspections for governmental or quasi-governmental entities that provide emergency medical services in this state.

D. The rules, standards and criteria adopted by the director pursuant to subsection A, paragraphs 2, 3, 4 and 5 of this section shall be adopted in accordance with title 41, chapter 6, except that the director may adopt on an emergency basis pursuant to section 41-1026 rules relating to the regulation of ambulance services in this state necessary to protect the public peace, health and safety in advance of adopting rules, standards and criteria as otherwise provided by this subsection.

E. The director may waive the requirement for compliance with a protocol adopted pursuant to section 36-2205 if the director determines that the techniques, drug formularies or training makes the protocol inconsistent with contemporary medical practices.

F. The director may suspend a protocol adopted pursuant to section 36-2205 if the director does all of the following:

1. Determines that the rule is not in the public's best interest.
2. Initiates procedures pursuant to title 41, chapter 6 to repeal the rule.

3. Notifies all interested parties in writing of the director's action and the reasons for that action. Parties interested in receiving notification shall submit a written request to the director.

G. To be eligible for appointment as the medical director of the emergency medical services and trauma system, the person shall be qualified in emergency medicine and shall be licensed as a physician in one of the states of the United States.

H. Applicants for certification shall apply to the director for certification. Emergency medical care technicians shall apply for recertification to the director every two years. The director may extend the expiration date of an emergency medical care technician's certificate for thirty days. The department shall establish a fee for this extension by rule. Emergency medical care technicians shall pass an examination.
administered by the department as a condition for recertification only if required to do so by the advanced life support base hospital's medical director or the emergency medical care technician's medical director.

I. The medical director of the emergency medical services and trauma system is exempt from title 41, chapter 4, articles 5 and 6 and is entitled to receive compensation pursuant to section 38-611, subsection A.

J. The standards, criteria and procedures adopted by the director pursuant to subsection A, paragraph 5 of this section shall require that ambulance services PROVIDING INTERFACILITY TRANSPORTATION OR serving a rural or wilderness certificate of necessity area with a population of less than ten thousand persons according to the most recent United States decennial census have at least one ambulance attendant as defined in section 36-2201, paragraph 6, subdivision (a) and one ambulance attendant as defined in section 36-2201, paragraph 6, subdivision (b) staffing an ambulance while transporting a patient and that ambulance services PROVIDING INTERFACILITY TRANSPORTATION OR serving a population of ten thousand persons or more according to the most recent United States decennial census have at least one ambulance attendant as defined in section 36-2201, paragraph 6, subdivision (a) and one ambulance attendant as defined in section 36-2201, paragraph 6, subdivision (a), (c), (d) or (e) staffing an ambulance while transporting a patient.

K. If the department determines there is not a qualified administrative medical director, the department shall ensure the provision of administrative medical direction for an emergency medical technician if the emergency medical technician meets all of the following criteria:

1. Is employed by a nonprofit or governmental provider employing less than twelve full-time emergency medical technicians.
2. Stipulates to the inability to secure a physician who is willing to provide administrative medical direction.
3. Stipulates that the provider agency does not provide administrative medical direction for its employees.

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

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

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. 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. ENSURE EVIDENCE-BASED QUALITY PATIENT CARE IS THE PRIORITY FOR
DECISION-MAKING.

2. 3. 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—AND geographic and medical considerations.
THE CALCULATION OF RESPONSE TIMES SHALL BEGIN WHEN THE PUBLIC SAFETY
ANSWERING POINT CONTACTS AN AMBULANCE SERVICE FOR DISPATCH AND CONCLUDE
WHEN THE AMBULANCE SERVICE ARRIVES AT THE DISPATCHED LOCATION. ON-SCENE
ARRIVAL TIMES FOR RESPONSE TIME MEASUREMENT SHALL BE DOCUMENTED BY THE
AMBULANCE SERVICE USING DISPATCH OR GLOBAL POSITIONING SYSTEM DATA, OR A
COMBINATION OF BOTH, AND KEPT ON FILE. RESPONSE TIME DATA THAT IS
COMPLIANT WITH THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF
1996 SHALL BE FILED ANNUALLY WITH THE DEPARTMENT. WHEN DISPATCH OR GLOBAL
POSITIONING SYSTEM CONNECTIVITY IS NOT AVAILABLE, THE AMBULANCE SERVICE
SHALL MANUALLY DOCUMENT ON-SCENE ARRIVAL TIMES FOR RESPONSE TIME
MEASUREMENT. THE RESPONSE TIME DATA SHALL BE FILED IN A
DEPARTMENT-APPROVED FORMAT, AND THE DEPARTMENT SHALL MAKE THE RESPONSE
TIME DATA PUBLICLY AVAILABLE.

4. REVIEW RESPONSE TIMES ESTABLISHED PURSUANT TO PARAGRAPH 3 OF
THIS SUBSECTION WITH THE AMBULANCE SERVICE AND UPDATE THE RESPONSE TIMES
BASED ON, AT A MINIMUM, POPULATION DENSITY AND GEOGRAPHIC AND MEDICAL
CONSIDERATIONS, AND THE FINANCIAL IMPACT ON RATES AND CHARGES, EVERY SIX
YEARS. ONE ADDITIONAL REVIEW EACH SIX-YEAR PERIOD MAY BE REQUESTED BY A
CITY, TOWN, FIRE DISTRICT OR FIRE AUTHORITY WHOSE JURISDICTIONAL
BOUNDARIES IN WHOLE OR IN PART ARE WITHIN THE SERVICE AREA OF A
CERTIFICATE OF NECESSITY OR AN EXISTING CERTIFICATE OF NECESSITY HOLDER
WITHIN THE SERVICE AREA OF THE CERTIFICATE OF NECESSITY.

5. 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.

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

7. 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.

5. BEGINNING JANUARY 1, 2024, INSTALL AND MAINTAIN AN ELECTRONIC GLOBAL POSITIONING SYSTEM MONITORING DEVICE IN EACH VEHICLE THAT IS USED FOR TRANSPORT TO RECORD ON-SCENE ARRIVAL TIMES FOR RESPONSE TIME MEASUREMENT. THE DEPARTMENT SHALL PROVIDE A WAIVER ON A DEPARTMENT-APPROVED FORM TO AN AMBULANCE SERVICE THAT CAN REASONABLY DEMONSTRATE IT IS UNABLE TO MEET THE REQUIREMENTS OF THIS PARAGRAPH.
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.

Sec. 4. Section 36-2233, Arizona Revised Statutes, is amended to read:

36-2233. Certificate of necessity to operate an ambulance service; exceptions; service areas

A. Any person wishing to operate an ambulance service in this state shall apply to the department on a form prescribed by the director for a certificate of necessity.

B. Within one hundred eighty days after receiving an application for a certificate of necessity as prescribed in this section, the director shall make a determination based on whether necessity for the ambulance service is found to exist and the applicant meets the requirements of subsection F of this section. If the director requests additional information from the applicant after initial review, the applicant shall
HAVE THIRTY BUSINESS DAYS TO RESPOND. ON REQUEST, THE DIRECTOR MAY GIVE
THE APPLICANT ONE ADDITIONAL PERIOD OF THIRTY BUSINESS DAYS TO RESPOND.
IF THE APPLICANT FAILS TO RESPOND TO THE DIRECTOR’S REQUEST FOR ADDITIONAL
INFORMATION, THE DEPARTMENT SHALL DEEM THE INITIAL OR AMENDED APPLICATION
WITHDRAWN. AN APPLICATION DEEMED WITHDRAWN IS NOT AN APPEALABLE AGENCY
ACTION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10. THE APPLICANT MAY
APPEAL A DENIAL ONLY PURSUANT TO SECTION 36-2234. THE ONE HUNDRED
EIGHTY-DAY PERIOD FOR THE DIRECTOR TO MAKE THE DETERMINATION OF NECESSITY
DOES NOT INCLUDE THE TIME THE APPLICANT USES TO RESPOND TO REQUESTS FOR
ADDITIONAL INFORMATION.

C. ON RECEIPT OF AN INITIAL OR AMENDED APPLICATION FOR A
CERTIFICATE OF NECESSITY, THE DEPARTMENT SHALL POST A NOTICE OF THE
APPLICATION ON ITS WEBSITE. WITHIN THIRTY DAYS AFTER THE DEPARTMENT POSTS
A NOTICE PURSUANT TO THIS SUBSECTION, ANY INTERESTED PARTY MAY PROVIDE
INFORMATION TO THE DIRECTOR ON A FORM IN A DEPARTMENT-APPROVED FORMAT FOR
CONSIDERATION. IF AN INTERESTED PARTY FAILS TO RESPOND TO THE NOTICE
WITHIN SIXTY DAYS IN A DEPARTMENT-APPROVED FORMAT, THE INFORMATION MAY NOT
BE CONSIDERED DURING THE REVIEW OF THE APPLICATION.

D. FOR THE PURPOSES OF THIS SECTION, A CITY, TOWN, FIRE DISTRICT,
FIRE AUTHORITY OR TRIBAL GOVERNMENT WHOSE JURISDICTIONAL BOUNDARIES IN
WHOLE OR IN PART ARE WITHIN THE SERVICE AREA OF A CERTIFICATE OF
NECESSITY, AN EXISTING CERTIFICATE OF NECESSITY HOLDER WITHIN THE SERVICE
AREA OF THE CERTIFICATE OF NECESSITY OR A HOSPITAL THAT IS LICENSED
PURSUANT TO CHAPTER 4 OF THIS TITLE AND THAT IS LOCATED WITHIN THE SERVICE
AREA OF A CERTIFICATE OF NECESSITY IS CONSIDERED TO BE AN INTERESTED PARTY
AS A MATTER OF LAW.

E. ALL INTERESTED PARTIES SHALL BE NOTIFIED OF ANY APPLICATION FOR
AN INITIAL OR AMENDED CERTIFICATE OF NECESSITY WITHIN FIFTEEN DAYS AFTER
THE APPLICATION IS FILED, WITHIN FIFTEEN DAYS AFTER THE APPLICATION IS
COMPLETE AND WITHIN FIFTEEN DAYS AFTER A DECISION BY THE DIRECTOR. THE
DIRECTOR’S DECISION PURSUANT TO SUBSECTION F OF THIS SECTION IS FINAL
UNLESS APPEALED PURSUANT TO SECTION 36-2234, SUBSECTION A.

 F. The director shall issue a certificate of necessity if all
of the following apply:
1. The ambulance service has a certificate of registration issued
by the department for at least one ambulance pursuant to section 36-2212.
   2. The director finds that public necessity requires the
   service or any part of the service proposed by the applicant.
   3. The director finds that the applicant is fit and proper to
   provide the service.
   4. The applicant has paid the appropriate fees pursuant to
   section 36-2240.
   5. The applicant has filed a surety bond pursuant to section
   36-2237.
C. G. A certificate of necessity issued pursuant to subsection F of this section shall be for all or part of the service proposed by the applicant as determined necessary by the director for public convenience and necessity.

D. H. This section does not require a certificate of necessity for:

1. Vehicles and persons that are exempt from a certificate of registration pursuant to section 36-2217.

2. Ambulance services operating under temporary authority pursuant to section 36-2242.

E. I. The director may grant a service area by one or any combination of the following descriptions:

1. Metes and bounds.

2. A city, town or political subdivision not limited to a specific date. The merger or consolidation of two or more fire districts pursuant to section 48-820 or 48-822 does not expand the service area boundaries of an existing certificate of necessity.

3. A city, town or political subdivision as of a specific date that does not include annexation.

Sec. 5. Section 36-2234, Arizona Revised Statutes, is amended to read:

36-2234. Hearings; waiver of hearing; appeals; emergency action; suspension; judicial review; definition

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

A. The applicant or any certificate of necessity holder whose ambulance service area in whole or in part is within the affected service area of the initial or amended certificate of necessity may appeal pursuant to Title 41, Chapter 6, Article 10 the director’s determination within thirty days after the decision. If an appeal is made, the director shall require a public hearing be held within one hundred twenty days after the hearing notice is issued on the director’s determination on the initial or amended certificate of necessity.

B. For the purposes of any hearing held pursuant to this section, a city, town, fire district, fire authority or tribal government whose jurisdictional boundaries in whole or in part are within the service area of a certificate of necessity, an existing certificate of necessity holder within the service area of the certificate of necessity or a hospital that is licensed pursuant to Chapter 4 of this title and that is located within the service area of a certificate of necessity is considered to be an interested party as a matter of law.
C. THE DIRECTOR SHALL REQUIRE A PUBLIC HEARING ON ANY PROPOSED
ACTION RELATING TO AN ADJUSTMENT OF GENERAL PUBLIC RATES, CHARGES OR
CERTIFICATE OF NECESSITY TRANSFERS UNLESS SUBSECTION E, G OR O OF THIS
SECTION APPLIES.

D. AN APPEAL PURSUANT TO SUBSECTION A OF THIS SECTION OR A
public hearing held pursuant to subsection A C of this section shall meet
the following requirements:

1. The hearing shall be held pursuant to title 41, chapter 6,
article 10, EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION.

2. The director shall mail notice of the hearing to every ambulance
service in the affected region AND EVERY INTERESTED PARTY AS SPECIFIED
IN SUBSECTION B OF THIS SECTION NOT later than fifteen days before the
hearing.

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

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

5. A certificate of necessity APPEAL hearing may not last more than
FIVE CONSECUTIVE BUSINESS days unless the administrative law judge
determines, in writing, on the final day of the hearing that there is an
extraordinary need for additional hearing days. THE ADMINISTRATIVE LAW
JUDGE IN THAT CASE MAY ADD UP TO FIVE ADDITIONAL CONSECUTIVE BUSINESS DAYS
FOR THE HEARING. THE ADDITIONAL HEARING DAYS SHALL BE CALENDARED WITHIN
THIRTY DAYS AFTER THE END OF THE INITIAL HEARING.

6. THE ADMINISTRATIVE LAW JUDGE OF THE OFFICE OF ADMINISTRATIVE
HEARINGS SHALL ISSUE A WRITTEN DECISION WITHIN TWENTY DAYS AFTER THE
HEARING IS CONCLUDED. THE WRITTEN DECISION SHALL CONTAIN A CONCISE
EXPLANATION OF THE REASONS SUPPORTING THE DECISION, INCLUDING THE FINDINGS
OF FACT AND CONCLUSIONS OF LAW. THE ADMINISTRATIVE LAW JUDGE SHALL SERVE
A COPY OF THE DECISION ON THE DEPARTMENT AND ALL PARTIES TO THE ACTION.
ON REQUEST OF THE DEPARTMENT, THE OFFICE OF ADMINISTRATIVE HEARINGS SHALL
ALSO TRANSMIT TO THE DEPARTMENT THE RECORD OF THE HEARING AS DESCRIBED IN
SECTION 12-904. A COPY OF THE ADMINISTRATIVE LAW JUDGE'S DECISION IS
DEEMED SENT ON PERSONAL DELIVERY OF THE DECISION OR FIVE DAYS AFTER THE
DECISION IS MAILED TO THE DIRECTOR.

7. WITHIN THIRTY DAYS AFTER THE DATE THE OFFICE OF ADMINISTRATIVE
HEARINGS SENDS A COPY OF THE ADMINISTRATIVE LAW JUDGE'S DECISION TO THE
DEPARTMENT, THE DIRECTOR SHALL REVIEW THE DECISION AND ACCEPT, REJECT OR
MODIFY THE DECISION. IF THE DIRECTOR REJECTS OR MODIFIES THE DECISION,
THE DIRECTOR MUST FILE WITH THE OFFICE OF ADMINISTRATIVE HEARINGS AND
SERVE ON ALL PARTIES A COPY OF THE ADMINISTRATIVE LAW JUDGE'S DECISION
WITH THE DIRECTOR'S REJECTION OR MODIFICATION AND A WRITTEN JUSTIFICATION
SETTING FORTH THE REASONS FOR THE REJECTION OR MODIFICATION OF EACH
FINDING OF FACT OR CONCLUSION OF LAW. IF THERE IS A REJECTION OR MODIFICATION OF A CONCLUSION OF LAW, THE WRITTEN JUSTIFICATION SHALL BE SENT TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.


9. THE DECISION ENTERED AS SPECIFICALLY PROVIDED BY THIS SUBSECTION IS THE FINAL ADMINISTRATIVE DECISION.

C. The director may waive the hearing required under subsection A of this section if notification, including a general description of the proposed action of the department and the time and manner for any interested person to request a hearing, is given and all of the following apply:

1. Notification of the proposed action has been sent to every ambulance service in the affected region NOT later than fifteen days before the action.

2. The director has notified other persons who the director determines are interested in the proposed action NOT later than fifteen days before the action.

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

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

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

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

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

2. Determine the percentage growth in the medical care consumer price index of the United States department of labor, bureau of labor statistics, from the end of the second preceding calendar year to the calendar year immediately preceding the calendar year for which the rate increase is requested.
3. Add the amount determined in paragraph 1 of this subsection to the amount determined in paragraph 2 of this subsection and divide the sum by two.

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

1. A financial statement for the previous twenty-four months relating to the certificated areas.
2. Any additional information the department requires to analyze the request.

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

**J.** If the department disallows a proposed contract rate pursuant to subsection **I** of this section, the ambulance service has a right to a hearing for review of the proposed contract rate or range of rates.

**K.** The director may adopt rules for the establishment of a contract rate or range of rates that may be implemented and that exceeds the thirty percent rate variance identified pursuant to subsection **I** of this section.

**L.** Subsections **H**, **I**, **J** AND **K** of this section are limited to contract rates or a range of rates applied for prescheduled, interfacility or convalescent transports.

**M.** A service contract between an ambulance service and a political subdivision of this state, including local fire districts, shall be filed with and approved by the department in accordance with the following requirements:
1. On receipt of the proposed contract, the department has fifteen
days to review the contract and notify the ambulance service of any
additional information the department requires, recommended corrections or
any provision that does or may violate this article.

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

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

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

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

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

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

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

P. Except as provided in section 41-1092.08, subsection H, a
final decision of the director relating to an adjustment of general public
rates, charges or certificate of necessity transfers is subject to
judicial review pursuant to title 12, chapter 7, article 6.
Q. THE FINAL ADMINISTRATIVE DECISION OF THE DIRECTOR OR THE
ADMINISTRATIVE LAW JUDGE AS PRESCRIBED IN SUBSECTION D OF THIS SECTION FOR
AN INITIAL OR AMENDED CERTIFICATE OF NECESSITY IS SUBJECT TO JUDICIAL
REVIEW PURSUANT TO TITLE 12, CHAPTER 7, ARTICLE 6.

Or. For the purposes of this section, "hearing day":
1. Means any portion of a business day that is used for any
hearing-related activity, including testimony, argument or presentation of
evidence.

2. Does not include prehearing conferences or other administrative
matters that occur before the start of the hearing.

Sec. 6. Section 36-2236, Arizona Revised Statutes, is amended to
read:

36-2236. Nature of certificates of necessity; transfer;
suspension; service area

A. A certificate of necessity issued pursuant to this article is
not a franchise, may be revoked by the director and does not confer a
property right on its holder.

B. A certificate of necessity shall not be assigned or otherwise
transferred without the written approval of the director. When any
certificate is assigned or transferred, the director shall issue to the
assignee or transferee a new certificate THAT IS valid only for the
unexpired term of the transferred or assigned certificate.

C. In case of emergency, the director may suspend a certificate of
necessity as provided in section 36-2234.

D. If a certificate of necessity issued pursuant to this article
includes any IS ISSUED TO A city, town, FIRE DISTRICT, FIRE AUTHORITY or
other political subdivision of this state, the service area shall be all
the geographical GEOGRAPHIC area lying within THE JURISDICTIONAL
BOUNDARIES OF the city, town, FIRE DISTRICT, FIRE AUTHORITY or political
subdivision, unless the certificate issued by the director specifically
excludes a portion of the city, town, FIRE DISTRICT, FIRE AUTHORITY or
political subdivision OR INCLUDES AN ADDITIONAL SERVICE AREA OUTSIDE THE
JURISDICTIONAL BOUNDARIES OF THE CITY, TOWN, FIRE DISTRICT, FIRE AUTHORITY
OR OTHER POLITICAL SUBDIVISION. IF THE JURISDICTIONAL BOUNDARIES OF A
CITY, TOWN, FIRE DISTRICT, FIRE AUTHORITY OR OTHER POLITICAL SUBDIVISION
EXPAND, THE SERVICE AREA IN THE CERTIFICATE OF NECESSITY EXPANDS TO
REFLECT THOSE JURISDICTIONAL BOUNDARIES, EXCEPT AS PRESCRIBED IN SECTION
36-2233, SUBSECTION I, PARAGRAPH 2. This subsection does not affect the
validity of any previously granted certificate for an unincorporated area
lying within the boundaries of a city.

E. IF THE POPULATION OF A SERVICE AREA CHANGES BY TEN PERCENT OR
MORE BASED ON THE MOST RECENT DECENNIAL CENSUS OR FIVE-YEAR CENSUS
ESTIMATE, THE DEPARTMENT MUST CONDUCT A REVIEW TO DETERMINE WHETHER
ADJUSTMENTS MUST BE MADE TO THE RESPONSE TIMES IN THE SERVICE AREA, TAKING
INTO CONSIDERATION THE IMPACT ON RATES AND CHARGES.
Sec. 7. Section 36-2239, Arizona Revised Statutes, is amended to read:

36-2239. Ambulance services; rates; charges; adjustment; civil penalty

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

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

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

D. Except as provided in subsection H of this section, an ambulance service shall not charge, demand or collect any remuneration for any service greater or less than or different from the rate or charge determined and fixed by the department as the rate or charge for that service. An ambulance service may charge for disposable supplies, medical supplies and medication and oxygen related costs if the charges do not exceed the manufacturer's suggested retail price, are uniform throughout the ambulance service's certificated area and are filed with the director. An ambulance service shall not refund or limit in any manner or by any device any portion of the rates or charges for a service that the department has determined and fixed or ordered as the rate or charge for that service.

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

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

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

(a) The ambulance is staffed with at least one ambulance attendant.
(b) The ambulance is equipped with all required advanced life support medical equipment and supplies for the advanced life support attendants in the ambulance.
(c) The patient receives advanced life support services or is transported by the advanced life support unit.

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

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

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

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

(a) The ambulance is staffed with two ambulance attendants certified by this state.
(b) The ambulance is equipped with all required basic life support medical equipment and supplies for the basic life support medical attendants in the ambulance.
(c) The patient receives basic life support services or is transported by the basic life support unit.

2. Basic life support transportation or service is requested by a medical authority or by the patient, unless any provision of subsection F of this section applies, in which case the advanced life support rate shall apply.
H. For each contract year, the Arizona health care cost containment system administration and its contractors and subcontractors shall provide remuneration for ambulance services for persons who are enrolled in or covered by the Arizona health care cost containment system in an amount equal to 68.59 percent of the amounts as prescribed by the department as of July 1 of each year for services specified in subsections F and G of this section and 68.59 percent of the mileage charges as determined by the department as of July 1 of each year pursuant to section 36-2232. The Arizona health care cost containment system administration shall make annual adjustments to the Arizona health care cost containment system fee schedule according to the department's approved ambulance service rate in effect as of July 1 of each year. The rate adjustments made pursuant to this subsection are effective beginning October 1 of each year.

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

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

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

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

4. The rate of return on gross revenue.

5. Response times pursuant to section 36-2232, subsection A, paragraphs 3 AND 4.

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

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

Sec. 8. Section 36-2242, Arizona Revised Statutes, is amended to read:

36-2242. Temporary authority to operate in urgent circumstances; application; application to provide permanent service

A. If the director determines that there is an immediate and urgent need for service to one or more points or within an area lacking adequate ambulance service, the director may, at his THE DIRECTOR'S discretion and without a hearing or other proceeding, grant an ambulance service, FIRE DEPARTMENT, FIRE DISTRICT OR FIRE AUTHORITY temporary authority to provide the needed service. The temporary authority is valid for the period
specified by the director, not to exceed ninety days, and may not be renewed for one additional ninety-day period.

B. An applicant for temporary authority pursuant to this section shall submit to the director a verified written statement setting forth the circumstances of the immediate and urgent need for service. THE APPLICANT MUST DEMONSTRATE THAT THE SERVICE PROVIDED UNDER THE TEMPORARY AUTHORITY WILL BE IN APPROPRIATELY EQUIPPED VEHICLES DESIGNED FOR PATIENT TRANSPORT AND STAFFED WITH APPROPRIATELY CERTIFIED PERSONNEL FOR PATIENT CARE. The director shall prescribe a temporary schedule of rates and charges which shall not exceed rates and charges established by the director for similar services.

C. The department may make an independent investigation to determine whether there is an immediate and urgent need for the authority requested.

D. During the period of temporary authority, a person granted temporary authority shall file an application for a certificate of necessity to conduct the service if he intends to continue the service after the temporary authority expires. A grant of temporary authority pursuant to this section does not create a presumption that permanent authority for the service should be granted.

Sec. 9. Section 36-2246, Arizona Revised Statutes, is amended to read:

36-2246. Fire districts; rural ambulance services; request for information; format
A. The department shall implement a format to govern its requests for information from each fire district that holds a certificate of necessity to operate an ambulance service under this chapter that substantially conforms to the annual report prescribed by section 48-251.

B. The department's request for financial information from each fire district that holds a certificate of necessity to operate an ambulance service under this chapter shall substantially conform to the accounting method prescribed by section 48-251.

C. The department's request for information from each rural ambulance service that holds a certificate of necessity under this chapter shall include the minimum information the department requires under section 36-2232, subsection A, paragraphs 5 and 6.

Sec. 10. Rulemaking exemption
Notwithstanding any other law, for the purposes of this act, the department of health services is exempt from the rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes, for one year after the effective date of this act.
Sec. 11. **Applicability**
This act applies to initial and amended certificates of necessity filed with the department of health services pursuant to section 36-2233, Arizona Revised Statutes, as amended by this act, from and after December 31, 2023.

Sec. 12. **Effective date**
This act is effective from and after December 31, 2023.

APPROVED BY THE GOVERNOR JULY 6, 2022.