

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)

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

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

4 36-2201. Definitions

5 In this chapter, unless the context otherwise requires:

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

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

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

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

28 5. "Ambulance":

29 (a) Means any publicly or privately owned surface, water or air
30 vehicle, including a helicopter, that contains a stretcher and necessary
31 medical equipment and supplies pursuant to section 36-2202 and that is
32 especially designed and constructed or modified and equipped to be used,
33 maintained or operated primarily ~~for the transportation of~~ TO TRANSPORT
34 individuals who are sick, injured or wounded or who require medical
35 monitoring or aid. ~~Ambulance~~

36 (b) Does not include a surface vehicle that is owned and operated
37 by a private sole proprietor, partnership, private corporation or
38 municipal corporation for the emergency transportation and in-transit care
39 of its employees or a vehicle that is operated to accommodate an
40 incapacitated person or person with a disability who does not require
41 medical monitoring, care or treatment during transport and that is not
42 advertised as having medical equipment and supplies or ambulance
43 attendants.

- 1 6. "Ambulance attendant" means any of the following:
- 2 (a) An emergency medical technician, an advanced emergency medical
- 3 technician, an emergency medical technician I-99 or a paramedic whose
- 4 primary responsibility is the care of patients in an ambulance and who
- 5 meets the standards and criteria adopted pursuant to section 36-2204.
- 6 (b) An emergency medical responder who is employed by an ambulance
- 7 service operating under section 36-2202 and whose primary responsibility
- 8 is ~~the~~ driving ~~of~~ an ambulance.
- 9 (c) A physician who is licensed pursuant to title 32, chapter 13
- 10 or 17.
- 11 (d) A professional nurse who is licensed pursuant to title 32,
- 12 chapter 15 and who meets the state board of nursing criteria to care for
- 13 patients in the prehospital care system.
- 14 (e) A professional nurse who is licensed pursuant to title 32,
- 15 chapter 15 and whose primary responsibility is the care of patients in an
- 16 ambulance during an interfacility transport.
- 17 7. "Ambulance service" means a person who owns and operates one or
- 18 more ambulances.
- 19 8. "Basic life support" means the level of assessment and care
- 20 identified in the scope of practice approved by the director for the
- 21 emergency medical responder and emergency medical technician.
- 22 9. "Bureau" means the bureau of emergency medical services and
- 23 trauma system in the department.
- 24 10. "Centralized medical direction communications center" means a
- 25 facility that is housed within a hospital, medical center or trauma center
- 26 or a freestanding communication center that meets the following criteria:
- 27 (a) Has the ability to communicate with ambulance services and
- 28 emergency medical services providers rendering patient care outside of the
- 29 hospital setting via radio and telephone.
- 30 (b) Is staffed twenty-four hours a day seven days a week by at
- 31 least a physician licensed pursuant to title 32, chapter 13 or 17.
- 32 11. "Certificate of necessity" means a certificate that is issued to
- 33 an ambulance service by the department and that describes the following:
- 34 (a) ~~THE~~ service area.
- 35 (b) ~~THE~~ level of service.
- 36 (c) ~~THE~~ type of service.
- 37 (d) ~~THE~~ hours of operation.
- 38 (e) ~~THE~~ effective date.
- 39 (f) ~~THE~~ expiration date.
- 40 (g) ~~THE~~ legal name and address of the ambulance service.
- 41 (h) ~~THE~~ any limiting or special provisions the director prescribes.
- 42 12. "Council" means the emergency medical services council.
- 43 13. "Department" means the department of health services.
- 44 14. "Director" means the director of the department of health
- 45 services.

1 15. "Emergency medical care technician" means an individual who has
2 been certified by the department as an emergency medical technician, an
3 advanced emergency medical technician, an emergency medical technician
4 I-99 or a paramedic.

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

13 17. **"EMERGENCY MEDICAL RESPONDER PROGRAM" MEANS A PROGRAM THAT**
14 **INCLUDES AT LEAST THE FOLLOWING:**

- 15 (a) **EMERGENCY VEHICLE DRIVER TRAINING.**
- 16 (b) **CARDIOPULMONARY RESUSCITATION CERTIFICATION.**
- 17 (c) **AUTOMATED EXTERNAL DEFIBRILLATOR TRAINING.**
- 18 (d) **TRAINING IN THE USE OF NONINVASIVE DIAGNOSTIC DEVICES,**
19 **INCLUDING BLOOD GLUCOSE MONITORS AND PULSE OXIMETERS.**
- 20 (e) **TRAINING ON OBTAINING A PATIENT'S VITAL SIGNS, INCLUDING BLOOD**
21 **PRESSURE, PULSE AND RESPIRATORY RATE.**

22 ~~17.~~ 18. "Emergency medical services" means those services required
23 following an accident or an emergency medical situation:

- 24 (a) For on-site emergency medical care.
- 25 (b) ~~For the transportation of~~ **TO TRANSPORT** the sick or injured by a
26 licensed ground or air ambulance.
- 27 (c) In ~~the use of~~ **USING** emergency communications media.
- 28 (d) In ~~the use of~~ **USING** emergency receiving facilities.
- 29 (e) In administering initial care and preliminary treatment
30 procedures by emergency medical care technicians.

31 ~~18.~~ 19. "Emergency medical services provider" means any
32 governmental entity, quasi-governmental entity or corporation whether
33 public or private that renders emergency medical services in this state.

34 ~~19.~~ 20. "Emergency medical technician" means a person who has been
35 trained in an emergency medical technician program certified by the
36 director or in an equivalent training program and who is certified by the
37 director as qualified to render services pursuant to section 36-2205.

38 ~~20.~~ 21. "Emergency receiving facility" means a licensed health
39 care institution that offers emergency medical services, is staffed
40 twenty-four hours a day and has a physician on call.

41 ~~21.~~ 22. "Fit and proper" means that the director determines that
42 an applicant for a certificate of necessity or a certificate holder has
43 the expertise, integrity, fiscal competence and resources to provide
44 ambulance service in the service area.

1 ~~22.~~ 23. "Medical record" means any patient record, including
2 clinical records, prehospital care records, medical reports, laboratory
3 reports and statements, any file, film, record or report or oral
4 statements relating to diagnostic findings, treatment or outcome of
5 patients, whether written, electronic or recorded, and any information
6 from which a patient or the patient's family might be identified.

7 ~~23.~~ 24. "National certification organization" means a national
8 organization that tests and certifies the ability of an emergency medical
9 care technician and whose tests are based on national education standards.

10 ~~24.~~ 25. "National education standards" means the emergency medical
11 services education standards of the United States department of
12 transportation or other similar emergency medical services education
13 standards developed by that department or its successor agency.

14 ~~25.~~ 26. "Paramedic" means a person who has been trained in a
15 paramedic program certified by the director or in an equivalent training
16 program and who is certified by the director to render services pursuant
17 to section 36-2205.

18 ~~26.~~ 27. "Physician" means any person licensed pursuant to title
19 32, chapter 13 or 17.

20 ~~27.~~ 28. "Stretcher van" means a vehicle that contains a stretcher
21 and that is operated to accommodate an incapacitated person or person with
22 a disability who does not require medical monitoring, aid, care or
23 treatment during transport.

24 ~~28.~~ 29. "Suboperation station" means a physical facility or
25 location at which an ambulance service conducts operations for the
26 dispatch of ambulances and personnel and that may be staffed twenty-four
27 hours a day or less as determined by system use.

28 ~~29.~~ 30. "Trauma center" means any acute care hospital that
29 provides in-house ~~twenty-four-hour~~ TWENTY-FOUR-HOUR daily dedicated trauma
30 surgical services that is designated pursuant to section 36-2225.

31 ~~30.~~ 31. "Trauma registry" means data collected by the department
32 on trauma patients and on the incidence, causes, severity, outcomes and
33 operation of a trauma system and its components.

34 ~~31.~~ 32. "Trauma system" means an integrated and organized
35 arrangement of health care resources having the specific capability to
36 perform triage, transport and provide care.

37 ~~32.~~ 33. "Validated testing procedure" means a testing procedure
38 that ~~is inclusive of~~ INCLUDES practical skills, or ~~an attestation of~~
39 ATTESTS practical skills proficiency on a form developed by the department
40 by the educational training program, identified pursuant to section
41 36-2204, paragraph 2, that is certified as valid by an organization
42 capable of determining testing procedure and testing content validity and
43 that is recommended by the medical direction commission and the emergency
44 medical services council before the director's approval.

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

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

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

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

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

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

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

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

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

40 H. Applicants for certification shall apply to the director for
41 certification. Emergency medical care technicians shall apply for
42 recertification to the director every two years. The director may extend
43 the expiration date of an emergency medical care technician's certificate
44 for thirty days. The department shall establish a fee for this extension
45 by rule. Emergency medical care technicians shall pass an examination

1 administered by the department as a condition for recertification only if
2 required to do so by the advanced life support base hospital's medical
3 director or the emergency medical care technician's medical director.

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

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

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

26 1. Is employed by a nonprofit or governmental provider employing
27 less than twelve full-time emergency medical technicians.

28 2. Stipulates to the inability to secure a physician who is willing
29 to provide administrative medical direction.

30 3. Stipulates that the provider agency does not provide
31 administrative medical direction for its employees.

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

34 **36-2232. Director; powers and duties; regulation of ambulance**
35 **services; inspections; response time compliance**

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

41 1. Determine, fix, alter and regulate just, reasonable and
42 sufficient rates and charges for the provision of ambulances, including
43 rates and charges for advanced life support service, basic life support
44 service, patient loaded mileage, standby waiting, subscription service
45 contracts and other contracts for services related to the provision of

1 ambulances. The director may establish a rate and charge structure as
2 defined by federal medicare guidelines for ambulance services. The
3 director shall inform all ambulance services of the procedures and
4 methodology used to determine ambulance rates or charges.

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

7 ~~2.~~ 3. Regulate operating and response times of ambulances to meet
8 the needs of the public and to ensure adequate service. The rules adopted
9 by the director for certificated ambulance service response times shall
10 include uniform standards for urban, suburban, rural and wilderness
11 geographic areas within the certificate of necessity based on, at a
12 minimum, population density, ~~AND~~ AND geographic and medical considerations.
13 THE CALCULATION OF RESPONSE TIMES SHALL BEGIN WHEN THE PUBLIC SAFETY
14 ANSWERING POINT CONTACTS AN AMBULANCE SERVICE FOR DISPATCH AND CONCLUDE
15 WHEN THE AMBULANCE SERVICE ARRIVES AT THE DISPATCHED LOCATION. ON-SCENE
16 ARRIVAL TIMES FOR RESPONSE TIME MEASUREMENT SHALL BE DOCUMENTED BY THE
17 AMBULANCE SERVICE USING DISPATCH OR GLOBAL POSITIONING SYSTEM DATA, OR A
18 COMBINATION OF BOTH, AND KEPT ON FILE. RESPONSE TIME DATA THAT IS
19 COMPLIANT WITH THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF
20 1996 SHALL BE FILED ANNUALLY WITH THE DEPARTMENT. WHEN DISPATCH OR GLOBAL
21 POSITIONING SYSTEM CONNECTIVITY IS NOT AVAILABLE, THE AMBULANCE SERVICE
22 SHALL MANUALLY DOCUMENT ON-SCENE ARRIVAL TIMES FOR RESPONSE TIME
23 MEASUREMENT. THE RESPONSE TIME DATA SHALL BE FILED IN A
24 DEPARTMENT-APPROVED FORMAT, AND THE DEPARTMENT SHALL MAKE THE RESPONSE
25 TIME DATA PUBLICLY AVAILABLE.

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

35 ~~3.~~ 5. Determine, fix, alter and regulate bases of operation. The
36 director may issue a certificate of necessity to more than one ambulance
37 service within any base of operation. For the purposes of this paragraph,
38 "base of operation" means a service area granted under a certificate of
39 necessity.

40 ~~4.~~ 6. Issue, amend, transfer, suspend or revoke certificates of
41 necessity under terms consistent with this article.

42 ~~5.~~ 7. Prescribe a uniform system of accounts to be used by
43 ambulance services that conforms to standard accounting forms and
44 principles for the ambulance industry and generally accepted accounting
45 principles.

1 ~~6.~~ 8. Require the filing of an annual financial report and other
2 data. These rules shall require an ambulance service to file the report
3 with the department not later than one hundred eighty days after the
4 completion of its annual accounting period.

5 ~~7.~~ 9. Regulate ambulance services in all matters affecting
6 services to the public to the end that this article may be fully carried
7 out.

8 ~~8.~~ 10. Prescribe bonding requirements, if any, for ambulance
9 services granted authority to provide any type of subscription service.

10 ~~9.~~ 11. Offer technical assistance to ambulance services to
11 ~~maximize a healthy and viable business climate for the provision of~~
12 ~~ambulances~~ ENSURE COMPLIANCE WITH THE RULES.

13 ~~10.~~ 12. Offer technical assistance to ambulance services in order
14 to obtain or to amend a certificate of necessity.

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

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

28 C. An ambulance service shall:

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

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

35 3. Provide the department with a list of suboperation station
36 locations.

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

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

1 D. At any time, the director or the director's agents may:
2 1. Inquire into the operation of an ambulance service, including a
3 person operating an ambulance that has not been issued a certificate of
4 registration or a person who does not have or is operating outside of a
5 certificate of necessity.

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

8 3. Review the qualifications of ambulance attendants.

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

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

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

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

35 36-2233. Certificate of necessity to operate an ambulance
36 service; exceptions; service areas

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

40 B. WITHIN ONE HUNDRED EIGHTY DAYS AFTER RECEIVING AN APPLICATION
41 FOR A CERTIFICATE OF NECESSITY AS PRESCRIBED IN THIS SECTION, THE DIRECTOR
42 SHALL MAKE A DETERMINATION BASED ON WHETHER NECESSITY FOR THE AMBULANCE
43 SERVICE IS FOUND TO EXIST AND THE APPLICANT MEETS THE REQUIREMENTS OF
44 SUBSECTION F OF THIS SECTION. IF THE DIRECTOR REQUESTS ADDITIONAL
45 INFORMATION FROM THE APPLICANT AFTER INITIAL REVIEW, THE APPLICANT SHALL

1 HAVE THIRTY BUSINESS DAYS TO RESPOND. ON REQUEST, THE DIRECTOR MAY GIVE
2 THE APPLICANT ONE ADDITIONAL PERIOD OF THIRTY BUSINESS DAYS TO RESPOND.
3 IF THE APPLICANT FAILS TO RESPOND TO THE DIRECTOR'S REQUEST FOR ADDITIONAL
4 INFORMATION, THE DEPARTMENT SHALL DEEM THE INITIAL OR AMENDED APPLICATION
5 WITHDRAWN. AN APPLICATION DEEMED WITHDRAWN IS NOT AN APPEALABLE AGENCY
6 ACTION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10. THE APPLICANT MAY
7 APPEAL A DENIAL ONLY PURSUANT TO SECTION 36-2234. THE ONE HUNDRED
8 EIGHTY-DAY PERIOD FOR THE DIRECTOR TO MAKE THE DETERMINATION OF NECESSITY
9 DOES NOT INCLUDE THE TIME THE APPLICANT USES TO RESPOND TO REQUESTS FOR
10 ADDITIONAL INFORMATION.

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

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

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

33 ~~F.~~ F. The director shall issue a certificate of necessity if all
34 of the following apply:

35 ~~1. The ambulance service has a certificate of registration issued~~
36 ~~by the department for at least one ambulance pursuant to section 36-2212.~~

37 ~~2.~~ 1. The director finds that public necessity requires the
38 service or any part of the service proposed by the applicant.

39 ~~3.~~ 2. The director finds that the applicant is fit and proper to
40 provide the service.

41 ~~4.~~ 3. The applicant has paid the appropriate fees pursuant to
42 section 36-2240.

43 ~~5.~~ 4. The applicant has filed a surety bond pursuant to section
44 36-2237.

1 ~~C.~~ G. A certificate of necessity issued pursuant to subsection
2 ~~B.~~ F of this section shall be for all or part of the service proposed by
3 the applicant as determined necessary by the director for public
4 convenience and necessity.

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

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

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

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

13 1. Metes and bounds.

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

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

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

22 36-2234. Hearings; waiver of hearing; appeals; emergency
23 action; suspension; judicial review; definition

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

28 A. THE APPLICANT OR ANY CERTIFICATE OF NECESSITY HOLDER WHOSE
29 AMBULANCE SERVICE AREA IN WHOLE OR IN PART IS WITHIN THE AFFECTED SERVICE
30 AREA OF THE INITIAL OR AMENDED CERTIFICATE OF NECESSITY MAY APPEAL
31 PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10 THE DIRECTOR'S DETERMINATION
32 WITHIN THIRTY DAYS AFTER THE DECISION. IF AN APPEAL IS MADE, THE DIRECTOR
33 SHALL REQUIRE A PUBLIC HEARING BE HELD WITHIN ONE HUNDRED TWENTY DAYS
34 AFTER THE HEARING NOTICE IS ISSUED ON THE DIRECTOR'S DETERMINATION ON THE
35 INITIAL OR AMENDED CERTIFICATE OF NECESSITY.

36 B. FOR THE PURPOSES OF ANY HEARING HELD PURSUANT TO THIS SECTION, A
37 CITY, TOWN, FIRE DISTRICT, FIRE AUTHORITY OR TRIBAL GOVERNMENT WHOSE
38 JURISDICTIONAL BOUNDARIES IN WHOLE OR IN PART ARE WITHIN THE SERVICE AREA
39 OF A CERTIFICATE OF NECESSITY, AN EXISTING CERTIFICATE OF NECESSITY HOLDER
40 WITHIN THE SERVICE AREA OF THE CERTIFICATE OF NECESSITY OR A HOSPITAL THAT
41 IS LICENSED PURSUANT TO CHAPTER 4 OF THIS TITLE AND THAT IS LOCATED WITHIN
42 THE SERVICE AREA OF A CERTIFICATE OF NECESSITY IS CONSIDERED TO BE AN
43 INTERESTED PARTY AS A MATTER OF LAW.

1 C. THE DIRECTOR SHALL REQUIRE A PUBLIC HEARING ON ANY PROPOSED
2 ACTION RELATING TO AN ADJUSTMENT OF GENERAL PUBLIC RATES, CHARGES OR
3 CERTIFICATE OF NECESSITY TRANSFERS UNLESS SUBSECTION E, G OR O OF THIS
4 SECTION APPLIES.

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

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

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

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

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

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

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

38 7. WITHIN THIRTY DAYS AFTER THE DATE THE OFFICE OF ADMINISTRATIVE
39 HEARINGS SENDS A COPY OF THE ADMINISTRATIVE LAW JUDGE'S DECISION TO THE
40 DEPARTMENT, THE DIRECTOR SHALL REVIEW THE DECISION AND ACCEPT, REJECT OR
41 MODIFY THE DECISION. IF THE DIRECTOR REJECTS OR MODIFIES THE DECISION,
42 THE DIRECTOR MUST FILE WITH THE OFFICE OF ADMINISTRATIVE HEARINGS AND
43 SERVE ON ALL PARTIES A COPY OF THE ADMINISTRATIVE LAW JUDGE'S DECISION
44 WITH THE DIRECTOR'S REJECTION OR MODIFICATION AND A WRITTEN JUSTIFICATION
45 SETTING FORTH THE REASONS FOR THE REJECTION OR MODIFICATION OF EACH

1 FINDING OF FACT OR CONCLUSION OF LAW. IF THERE IS A REJECTION OR
2 MODIFICATION OF A CONCLUSION OF LAW, THE WRITTEN JUSTIFICATION SHALL BE
3 SENT TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
4 REPRESENTATIVES.

5 8. IF THE DIRECTOR DOES NOT ACCEPT, REJECT OR MODIFY THE
6 ADMINISTRATIVE LAW JUDGE'S DECISION WITHIN THIRTY DAYS AFTER THE DATE THE
7 OFFICE OF ADMINISTRATIVE HEARINGS SENDS A COPY OF THE ADMINISTRATIVE LAW
8 JUDGE'S DECISION TO THE DIRECTOR, AS EVIDENCED BY RECEIPT OF SUCH ACTION
9 BY THE OFFICE OF ADMINISTRATIVE HEARINGS ON OR BEFORE THE THIRTIETH DAY,
10 THE OFFICE OF ADMINISTRATIVE HEARINGS SHALL CERTIFY THE ADMINISTRATIVE LAW
11 JUDGE'S DECISION AS THE FINAL ADMINISTRATIVE DECISION.

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

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

19 1. Notification of the proposed action has been sent to every
20 ambulance service in the affected region ~~no~~ NOT later than fifteen days
21 before the action.

22 2. The director has notified other persons who the director
23 determines are interested in the proposed action ~~no~~ NOT later than fifteen
24 days before the action.

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

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

30 ~~D.~~ F. If the director receives a request pursuant to subsection
31 ~~E.~~ E, paragraph 4 of this section, the director shall hold a hearing in
32 compliance with subsection ~~B- D~~ D of this section.

33 ~~F.~~ G. The director shall not hold a hearing if a person requests a
34 hearing regarding a rate increase that does not exceed the amount computed
35 as follows:

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

41 2. Determine the percentage growth in the medical care consumer
42 price index of the United States department of labor, bureau of labor
43 statistics, from the end of the second preceding calendar year to the
44 calendar year immediately preceding the calendar year for which the rate
45 increase is requested.

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

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

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

16 2. Any additional information the department requires to analyze
17 the request.

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

29 ~~H.~~ J. If the department disallows a proposed contract rate
30 pursuant to subsection ~~G~~ I of this section, the ambulance service has a
31 right to a hearing for review of the proposed contract rate or range of
32 rates.

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

37 ~~J.~~ L. Subsections ~~G, H and~~ I, J AND K of this section are limited
38 to contract rates or a range of rates applied for prescheduled,
39 interfacility or convalescent transports.

40 ~~K.~~ M. A service contract between an ambulance service and a
41 political subdivision of this state, including local fire districts, shall
42 be filed with and approved by the department in accordance with the
43 following requirements:

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

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

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

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

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

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

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

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

40 ~~N.~~ P. Except as provided in section 41-1092.08, subsection H, a
41 final decision of the director RELATING TO AN ADJUSTMENT OF GENERAL PUBLIC
42 RATES, CHARGES OR CERTIFICATE OF NECESSITY TRANSFERS is subject to
43 judicial review pursuant to title 12, chapter 7, article 6.

1 Q. THE FINAL ADMINISTRATIVE DECISION OF THE DIRECTOR OR THE
2 ADMINISTRATIVE LAW JUDGE AS PRESCRIBED IN SUBSECTION D OF THIS SECTION FOR
3 AN INITIAL OR AMENDED CERTIFICATE OF NECESSITY IS SUBJECT TO JUDICIAL
4 REVIEW PURSUANT TO TITLE 12, CHAPTER 7, ARTICLE 6.

5 ~~Q.~~ R. For the purposes of this section, "hearing day":

6 1. Means any portion of a business day that is used for any
7 hearing-related activity, including testimony, argument or presentation of
8 evidence.

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

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

13 36-2236. Nature of certificates of necessity; transfer;
14 suspension; service area

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

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

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

25 D. If a certificate of necessity issued pursuant to this article
26 ~~includes any~~ IS ISSUED TO A city, town, FIRE DISTRICT, FIRE AUTHORITY or
27 other political subdivision of this state, the service area shall be all
28 the ~~geographical~~ GEOGRAPHIC area lying within THE JURISDICTIONAL
29 BOUNDARIES OF the city, town, FIRE DISTRICT, FIRE AUTHORITY or political
30 subdivision, unless the certificate issued by the director specifically
31 excludes a portion of the city, town, FIRE DISTRICT, FIRE AUTHORITY or
32 political subdivision OR INCLUDES AN ADDITIONAL SERVICE AREA OUTSIDE THE
33 JURISDICTIONAL BOUNDARIES OF THE CITY, TOWN, FIRE DISTRICT, FIRE AUTHORITY
34 OR OTHER POLITICAL SUBDIVISION. IF THE JURISDICTIONAL BOUNDARIES OF A
35 CITY, TOWN, FIRE DISTRICT, FIRE AUTHORITY OR OTHER POLITICAL SUBDIVISION
36 EXPAND, THE SERVICE AREA IN THE CERTIFICATE OF NECESSITY EXPANDS TO
37 REFLECT THOSE JURISDICTIONAL BOUNDARIES, EXCEPT AS PRESCRIBED IN SECTION
38 36-2233, SUBSECTION I, PARAGRAPH 2. This subsection does not affect the
39 validity of any previously granted certificate for an unincorporated area
40 lying within the boundaries of a city.

41 E. IF THE POPULATION OF A SERVICE AREA CHANGES BY TEN PERCENT OR
42 MORE BASED ON THE MOST RECENT DECENNIAL CENSUS OR FIVE-YEAR CENSUS
43 ESTIMATE, THE DEPARTMENT MUST CONDUCT A REVIEW TO DETERMINE WHETHER
44 ADJUSTMENTS MUST BE MADE TO THE RESPONSE TIMES IN THE SERVICE AREA, TAKING
45 INTO CONSIDERATION THE IMPACT ON RATES AND CHARGES.

1 Sec. 7. Section 36-2239, Arizona Revised Statutes, is amended to
2 read:

3 36-2239. Ambulance services; rates; charges; adjustment;
4 civil penalty

5 A. An ambulance service that applies ~~for an adjustment in~~ TO ADJUST
6 its rates or charges shall automatically be granted a rate increase equal
7 to the amount determined under section 36-2234, subsection ~~E~~ G, if the
8 ambulance service is so entitled. An automatic rate adjustment that is
9 granted pursuant to this subsection and that is filed on or before April 1
10 is effective June 1 of that year. The department shall notify the
11 applicant and each health care services organization as defined in section
12 20-1051 of the rate adjustment on or before May 1 of that year.

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

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

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

38 E. The department shall determine and render its decision regarding
39 all rates or charges within ninety days after commencement of the
40 applicant's hearing ~~for an adjustment of~~ TO ADJUST rates or charges. If
41 the department does not render its decision as required by this
42 subsection, the ambulance service may adjust its rates and charges to an
43 amount that does not exceed the amounts sought by the ambulance service in
44 its application to the department. If the department renders a decision
45 to adjust the rates or charges to an amount less than that requested in

1 the application and the ambulance service has ~~made an adjustment to~~
2 **ADJUSTED** its rates and charges ~~that is~~ higher than the adjustment approved
3 by the department, within thirty days after the department's decision the
4 ambulance service shall refund to the appropriate ratepayer the difference
5 between the ambulance service's adjusted rates and charges and the rates
6 and charges ordered by the department. The ambulance service shall
7 provide evidence to the department that the refund has been made. If the
8 ambulance service fails to comply with this subsection, the director may
9 impose a civil penalty subject to the ~~limitations~~ **LIMITS** provided in
10 section 36-2245.

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

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

17 (a) The ambulance is staffed with at least one ambulance attendant.

18 (b) The ambulance is equipped with all required advanced life
19 support medical equipment and supplies for the advanced life support
20 attendants in the ambulance.

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

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

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

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

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

34 (a) The ambulance is staffed with two ambulance attendants
35 certified by this state.

36 (b) The ambulance is equipped with all required basic life support
37 medical equipment and supplies for the basic life support medical
38 attendants in the ambulance.

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

41 2. Basic life support transportation or service is requested by a
42 medical authority or by the patient, unless any provision of subsection F
43 of this section applies, in which case the advanced life support rate
44 ~~shall apply~~ **APPLIES**.

1 H. For each contract year, the Arizona health care cost containment
2 system administration and its contractors and subcontractors shall provide
3 remuneration for ambulance services for persons who are enrolled in or
4 covered by the Arizona health care cost containment system in an amount
5 equal to 68.59 percent of the amounts as prescribed by the department as
6 of July 1 of each year for services specified in subsections F and G of
7 this section and 68.59 percent of the mileage charges as determined by the
8 department as of July 1 of each year pursuant to section 36-2232. The
9 Arizona health care cost containment system administration shall ~~make~~
10 ~~annual adjustments to~~ ANNUALLY ADJUST the Arizona health care cost
11 containment system fee schedule according to the department's approved
12 ambulance service rate in effect as of July 1 of each year. The rate
13 adjustments made pursuant to this subsection are effective beginning
14 October 1 of each year.

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

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

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

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

24 4. The rate of return on gross revenue.

25 5. Response times pursuant to section 36-2232, subsection A,
26 ~~paragraph 2~~ PARAGRAPHS 3 AND 4.

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

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

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

37 36-2242. Temporary authority to operate in urgent
38 circumstances; application; application to provide
39 permanent service

40 A. If the director determines that there is an immediate and urgent
41 need for service to one or more points or within an area lacking adequate
42 ambulance service, the director may, at ~~his~~ THE DIRECTOR'S discretion and
43 without a hearing or other proceeding, grant an ambulance service, FIRE
44 DEPARTMENT, FIRE DISTRICT OR FIRE AUTHORITY temporary authority to provide
45 the needed service. The temporary authority is valid for the period

1 specified by the director, not to exceed ninety days, and may ~~not be~~
2 ~~renewed~~ BE EXTENDED FOR ONE ADDITIONAL NINETY-DAY PERIOD.

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

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

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

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

23 36-2246. Fire districts; rural ambulance services; request
24 for information; format

25 A. The department shall implement a format to govern its requests
26 for information from each fire district that holds a certificate of
27 necessity to operate an ambulance service under this chapter that
28 substantially conforms to the annual report prescribed by section 48-251.

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

33 C. The department's request for information from each rural
34 ambulance service that holds a certificate of necessity under this chapter
35 shall include the minimum information the department requires under
36 section 36-2232, subsection A, paragraphs ~~5 and 6~~ 7 AND 8.

37 Sec. 10. Rulemaking exemption

38 Notwithstanding any other law, for the purposes of this act, the
39 department of health services is exempt from the rulemaking requirements
40 of title 41, chapter 6, Arizona Revised Statutes, for one year after the
41 effective date of this act.

1 Sec. 11. Applicability
2 This act applies to initial and amended certificates of necessity
3 filed with the department of health services pursuant to section 36-2233,
4 Arizona Revised Statutes, as amended by this act, from and after December
5 31, 2023.
6 Sec. 12. Effective date
7 This act is effective from and after December 31, 2023.

APPROVED BY THE GOVERNOR JULY 6, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 6, 2022.