

REFERENCE TITLE: ambulances; response times; rates

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1345

Introduced by
Senator Shope

AN ACT

AMENDING SECTIONS 36-2201, 36-2207, 36-2213, 36-2232, 36-2233, 36-2234, 36-2235 AND 36-2239, 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 to transport individuals who are sick,
34 injured or wounded or who require medical monitoring or aid.

35 (b) Does not include a surface vehicle that is owned and operated
36 by a private sole proprietor, partnership, private corporation or
37 municipal corporation for the emergency transportation and in-transit care
38 of its employees or a vehicle that is operated to accommodate an
39 incapacitated person or person with a disability who does not require
40 medical monitoring, care or treatment during transport and that is not
41 advertised as having medical equipment and supplies or ambulance
42 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 driving 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. "CALL DENSITY" MEANS THE NUMBER OF AMBULANCE CALLS PER SQUARE
25 MILE WITHIN A DESCRIBED AREA OF SERVICE OVER TWELVE CONSECUTIVE MONTHS.

26 ~~10.~~ 11. "Centralized medical direction communications center"
27 means a facility that is housed within a hospital, medical center or
28 trauma center or a freestanding communication center that meets the
29 following criteria:

30 (a) Has the ability to communicate with ambulance services and
31 emergency medical services providers rendering patient care outside of the
32 hospital setting via radio and telephone.

33 (b) Is staffed twenty-four hours a day seven days a week by at
34 least a physician licensed pursuant to title 32, chapter 13 or 17.

35 ~~11.~~ 12. "Certificate of necessity" means a certificate that is
36 issued to an ambulance service by the department and that describes the
37 following:

38 (a) The service area.

39 (b) The level of service.

40 (c) The type of service.

41 (d) The hours of operation.

42 (e) The effective date.

43 (f) The expiration date.

44 (g) The legal name and address of the ambulance service.

45 (h) The any limiting or special provisions the director prescribes.

1 ~~12.~~ 13. "Council" means the emergency medical services council.
2 ~~13.~~ 14. "Department" means the department of health services.
3 ~~14.~~ 15. "Director" means the director of the department of health
4 services.
5 ~~15.~~ 16. "Emergency medical care technician" means an individual
6 who has been certified by the department as an emergency medical
7 technician, an advanced emergency medical technician, an emergency medical
8 technician I-99 or a paramedic.
9 ~~16.~~ 17. "Emergency medical responder" as an ambulance attendant,
10 whose primary responsibility is driving an ambulance, means a person who
11 has successfully completed training in an emergency medical responder
12 program that is certified by the director or is approved by the emergency
13 medical services provider's administrative medical director on file with
14 the department or in an equivalent training program.
15 ~~17.~~ 18. "Emergency medical responder program" means a program that
16 has been submitted for review by the department and includes at least the
17 following:
18 (a) Emergency vehicle driver training.
19 (b) Cardiopulmonary resuscitation certification.
20 (c) Automated external defibrillator training.
21 (d) Training in the use of noninvasive diagnostic devices,
22 including blood glucose monitors and pulse oximeters.
23 (e) Training on obtaining a patient's vital signs, including blood
24 pressure, pulse and respiratory rate.
25 ~~18.~~ 19. "Emergency medical services" means those services required
26 following an accident or an emergency medical situation:
27 (a) For on-site emergency medical care.
28 (b) To transport the sick or injured by a licensed ground or air
29 ambulance.
30 (c) In using emergency communications media.
31 (d) In using emergency receiving facilities.
32 (e) In administering initial care and preliminary treatment
33 procedures by emergency medical care technicians.
34 ~~19.~~ 20. "Emergency medical services provider" means any
35 governmental entity, quasi-governmental entity or corporation whether
36 public or private that renders emergency medical services in this state.
37 ~~20.~~ 21. "Emergency medical technician" means a person who has been
38 trained in an emergency medical technician program certified by the
39 director or in an equivalent training program and who is certified by the
40 director as qualified to render services pursuant to section 36-2205.
41 ~~21.~~ 22. "Emergency receiving facility" means a licensed health
42 care institution that offers emergency medical services, is staffed
43 twenty-four hours a day and has a physician on call.
44 ~~22.~~ 23. "Fit and proper" means that the director determines that
45 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.

~~23.~~ 24. "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.

~~24.~~ 25. "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.

~~25.~~ 26. "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.

~~26.~~ 27. "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.

~~27.~~ 28. "Physician" means any person licensed pursuant to title 32, chapter 13 or 17.

~~28.~~ 29. "Police dog":

(a) Means a specially trained dog that is owned or used by a law enforcement department or agency of this state or any political subdivision of this state and that is used in the course of the department's or agency's official work.

(b) Includes a search and rescue dog, service dog, accelerant detection canine or other dog that is in use by the law enforcement department or agency for official duties.

~~29.~~ 30. "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.

~~30.~~ 31. "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.

~~31.~~ 32. "Trauma center" means any acute care hospital that provides in-house twenty-four-hour daily dedicated trauma surgical services that is designated pursuant to section 36-2225.

~~32.~~ 33. "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.

~~33.~~ 34. "Trauma system" means an integrated and organized arrangement of health care resources having the specific capability to perform triage, transport and provide care.

~~34.~~ 35. "Validated testing procedure" means a testing procedure that includes practical skills, or 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.

~~35.~~ 36. "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 36-2207, Arizona Revised Statutes, is amended to read:

36-2207. Authorization for political subdivisions to participate

Any city, town, county, fire district or health service district of this state may budget for and expend monies for participation in emergency paramedic programs and may enter into intergovernmental agreements for the delivery of such services pursuant to title 11, chapter 7, article 3, **REGARDLESS OF WHETHER THE CITY, TOWN, COUNTY, FIRE DISTRICT OR HEALTH SERVICE DISTRICT HOLDS A CERTIFICATE OF NECESSITY.**

Sec. 3. Section 36-2213, Arizona Revised Statutes, is amended to read:

36-2213. Air ambulance services; rules

The director shall adopt rules to establish minimum standards for the operation of air ambulance services that are necessary to ~~assure~~ **ENSURE** the public health and safety. The director may use the current standards adopted by the commission on accreditation of air medical services. Each rule shall reference the specific authority from this chapter under which the rule was formulated. The rules shall provide for the department to do the following:

1. Establish standards and requirements relating to at least the following:

(a) Medical control plans. These plans shall conform to the standards adopted pursuant to section 36-2204, paragraph 9.

(b) Qualifications of the medical director of the air ambulance services.

(c) Operation of only those air ambulances registered pursuant to section 36-2212 and licensed pursuant to title 28, chapter 25.

2. Establish response times and operation times to ~~assure~~ ENSURE that the health and safety needs of the public are met.

3. Establish standards for emergency medical dispatch training, including prearrival instruction. For the purposes of this paragraph, "emergency medical dispatch" means the receipt of calls requesting emergency medical services and the response of appropriate resources to the appropriate location.

4. Require the filing of run log information.

5. REQUIRE THE FILING OF EACH AIR AMBULANCE SERVICE'S RATE SCHEDULE AND CHANGE TO THE RATE SCHEDULE WITH THE DEPARTMENT. THE DEPARTMENT SHALL MAINTAIN A LIST ON THE DEPARTMENT'S WEBSITE OF THE CURRENT RATE SCHEDULES FOR EACH LICENSED AIR AMBULANCE SERVICE.

~~5.~~ 6. Issue, transfer, suspend or revoke air ambulance service licenses under terms and conditions consistent with this chapter. These rules shall be consistent for all AIR ambulance services.

~~6.~~ 7. Investigate the operation of an air ambulance service, including a person operating an ambulance that has not been issued a certificate of registration and conduct on-site investigations of facilities communications equipment, vehicles, procedures, materials and equipment.

~~7.~~ 8. Prescribe the terms of the air ambulance service license.

~~8.~~ 9. Prescribe the criteria for the air ambulance service license inspection process and for determining an air ambulance service's compliance with licensure requirements. The director shall accept proof that an air ambulance service is accredited by the commission on accreditation of air medical services in lieu of all licensing inspections required if the director receives a copy of the air ambulance service's accreditation report.

Sec. 4. Section 36-2232, Arizona Revised Statutes, is amended to read:

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

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

1. Consistent with the requirements of subsection H of this section, determine, fix, alter and regulate just, reasonable and sufficient rates and charges for the provision of ambulances, including rates and charges for advanced life support service, basic life support service, patient loaded mileage, standby waiting, subscription service contracts and other contracts for services related to the provision of ambulances. The director shall inform all ambulance services of the

1 procedures and methodology used to determine ambulance rates or charges.
2 THE DIRECTOR MAY ESTABLISH ADDITIONAL RATE CATEGORIES BASED ON CURRENT
3 STANDARDS OF CARE OR SCOPE OF PRACTICE. IF THE DIRECTOR ESTABLISHES A NEW
4 RATE CATEGORY, EXISTING CERTIFICATE OF NECESSITY HOLDERS MAY APPLY TO ADD
5 THE NEW RATE TO THEIR EXISTING RATE STRUCTURE WITHOUT CHANGING THE OTHER
6 RATES AND CHARGES APPROVED FOR THEIR CERTIFICATE OF NECESSITY.

7 2. Ensure THAT evidence-based quality patient care is the priority
8 for decision-making.

9 3. Regulate operating and response times of ambulances to meet the
10 needs of the public and to ensure adequate service. The rules adopted by
11 the director for certificated ambulance service response times shall
12 include uniform standards for urban, suburban, rural and wilderness
13 geographic areas within the certificate of necessity based on, at a
14 minimum, population density, CALL DENSITY and geographic and medical
15 considerations. IF THE CERTIFICATED SERVICE AREA OF MULTIPLE CERTIFICATE
16 OF NECESSITY HOLDERS INCLUDES ALL OR A PORTION OF THE SAME POLITICAL
17 SUBDIVISION, THE PRIMARY PROVIDER FOR THAT POLITICAL SUBDIVISION IS THE
18 POLITICAL SUBDIVISION CERTIFICATE OF NECESSITY HOLDER, IF ONE EXISTS, OR
19 THE CERTIFICATE OF NECESSITY HOLDER THAT IS CONTRACTED AS THE DESIGNATED
20 911 AMBULANCE PROVIDER FOR THE CERTIFICATED SERVICE AREA. IF A PRIMARY
21 PROVIDER EXISTS, THE OTHER CERTIFICATE OF NECESSITY HOLDERS WITH A
22 CERTIFICATED SERVICE AREA THAT INCLUDES ALL OR A PORTION OF THE POLITICAL
23 SUBDIVISION SHALL BE CONSIDERED SECONDARY PROVIDERS. THE DEPARTMENT RULES
24 SHALL HAVE LESS STRINGENT RESPONSE TIME REQUIREMENTS FOR SECONDARY
25 PROVIDERS. The calculation of response times shall begin when the public
26 safety answering point contacts an ambulance service for dispatch and
27 conclude when the ambulance service arrives at the dispatched location.
28 On-scene arrival times for response time measurement shall be documented
29 by the ambulance service using dispatch or global positioning system data,
30 or a combination of both, and kept on file. IF A CERTIFICATE OF NECESSITY
31 HOLDER REQUESTS MUTUAL AID BY REQUESTING THE AID THROUGH ANOTHER
32 CERTIFICATE OF NECESSITY HOLDER'S DISPATCH CENTER OR THROUGH AN AUTOMATED
33 PROCESS, THE REQUESTING CERTIFICATE OF NECESSITY HOLDER SHALL COUNT THAT
34 CALL IN ITS RESPONSE TIME CALCULATION. Response time data that is
35 compliant with the health insurance portability and accountability act of
36 1996 shall be filed annually with the department. When dispatch or global
37 positioning system connectivity is not available, the ambulance service
38 shall manually document on-scene arrival times for response time
39 measurement. The response time data shall be filed in a
40 department-approved format, and the department shall make the response
41 time data publicly available.

42 4. Review response times established pursuant to paragraph 3 of
43 this subsection with the ambulance service and update the response times
44 based on, at a minimum, population density, CALL DENSITY and geographic
45 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.

8. 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.

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

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

11. Offer technical assistance to ambulance services to ensure compliance with the rules.

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

13. 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 to protect 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.

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

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

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

8 5. ~~Beginning January 1, 2024,~~ Install and maintain an electronic
9 global positioning system monitoring device in each vehicle that is used
10 for transport to record on-scene arrival times for response time
11 measurement. The department shall provide a waiver on a
12 department-approved form to an ambulance service that can reasonably
13 demonstrate it is unable to meet the requirements of this paragraph.

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

15 1. Inquire into the operation of an ambulance service, including a
16 person operating an ambulance that has not been issued a certificate of
17 registration or a person who does not have or is operating outside of a
18 certificate of necessity.

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

21 3. Review the qualifications of ambulance attendants.

22 E. If all ambulance services that have been granted authority to
23 operate within the same service area or that have overlapping certificates
24 of necessity apply for uniform rates and charges, the director may
25 establish uniform rates and charges for the service area. IF THE DIRECTOR
26 AWARDS A CERTIFICATE OF NECESSITY WITH A SERVICE AREA WITHIN A SERVICE
27 AREA THAT HAS AN ESTABLISHED UNIFORM RATE, THE DIRECTOR MAY DECLARE THE
28 NEW CERTIFICATE OF NECESSITY AS PART OF THE UNIFORM RATE GROUP AND
29 ESTABLISH RATES FOR THE APPLICANT THAT ARE THE SAME AS THE UNIFORM RATE.
30 IF THE DIRECTOR ESTABLISHES RATES THAT ARE DIFFERENT THAN THE UNIFORM RATE
31 GROUP IN THAT SERVICE AREA, THE RATE GROUP IS DISSOLVED AND THE RATES FOR
32 EACH MEMBER OF THE FORMER RATE GROUP SHALL BE THE LAST APPROVED RATES FOR
33 THE RATE GROUP.

34 F. In consultation with the medical director of the emergency
35 medical services and trauma system, the emergency medical services council
36 and the medical direction commission, the director of the department of
37 health services shall establish protocols for ambulance services to refer
38 and advise a patient or transport a patient by the most appropriate means
39 to the most appropriate provider of medical services based on the
40 patient's condition. The protocols shall include triage and treatment
41 protocols that allow all classifications of emergency medical care
42 technicians responding to a person who has accessed 911, or a similar
43 public dispatch number, for a condition that does not pose an immediate
44 threat to life or limb to refer and advise a patient or transport a
45 patient to the most appropriate health care institution as defined in

1 section 36-401 based on the patient's condition, taking into consideration
2 factors including patient choice, the patient's health care provider,
3 specialized health care facilities and local protocols.

4 G. The director, when reviewing an ambulance service's response
5 time compliance with its certificate of necessity, shall consider, in
6 addition to other factors:

- 7 1. The effect of hospital diversion. ~~;~~
- 8 2. Delayed emergency department admission.
- 9 3. THE NUMBER OF AMBULANCE SERVICES SERVING THE AFFECTED AREA.
- 10 4. THE DISPATCH PROTOCOLS FOR THE AFFECTED AREA THAT DETERMINE
- 11 WHICH AMBULANCE SERVICE RECEIVES THE CALL. ~~and~~
- 12 5. The number of ambulances engaged in response or transport in the
- 13 affected area.

14 H. The department shall incorporate all of the following factors
15 when calculating the proposed mileage rate:

- 16 1. The cost of licensure and registration of each ground ambulance
- 17 vehicle.
- 18 2. The cost of fuel.
- 19 3. The cost of ground ambulance vehicle maintenance.
- 20 4. The cost of ground ambulance vehicle repair.
- 21 5. The cost of tires.
- 22 6. The cost of ground ambulance vehicle insurance.
- 23 7. The cost of mechanic wages, benefits and payroll taxes.
- 24 8. The cost of loan interest related to the ground ambulance
- 25 vehicles.
- 26 9. The cost of the weighted allocation of overhead.
- 27 10. The cost of ground ambulance vehicle depreciation.
- 28 11. The cost of reserves for replacement of ground ambulance
- 29 vehicles and equipment.

30 Sec. 5. Section 36-2233, Arizona Revised Statutes, is amended to
31 read:

32 36-2233. Certificate of necessity to operate an ambulance
33 service; notification of interested parties;
34 required posting; exceptions; service areas

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

38 B. Within one hundred eighty days after receiving an application
39 for a certificate of necessity as prescribed in this section, the director
40 shall make a determination based on whether necessity for the ambulance
41 service is found to exist and the applicant meets the requirements of
42 subsection F of this section. If the director requests additional
43 information from the applicant after initial review, the applicant shall
44 have thirty business days to respond. On request, the director may give
45 the applicant one additional period of thirty business days to respond.

1 If the applicant fails to respond to the director's request for additional
2 information, the department shall deem the initial or amended application
3 withdrawn. An application deemed withdrawn is not an appealable agency
4 action pursuant to title 41, chapter 6, article 10. The applicant may
5 appeal a denial only pursuant to section 36-2234. The one hundred
6 eighty-day period for the director to make the determination of necessity
7 does not include the time the applicant uses to respond to requests for
8 additional information.

9 C. On receipt of an initial or amended application for a
10 certificate of necessity, the department shall post a notice of the
11 application on its website. THE DEPARTMENT SHALL ALSO POST ON ITS WEBSITE
12 A NOTICE OF WHETHER THE APPLICATION IS ADMINISTRATIVELY INCOMPLETE, THE
13 RESPONSES TO A NOTICE OF ADMINISTRATIVE INCOMPLETENESS, A NOTICE OF
14 WHETHER THE APPLICATION IS ADMINISTRATIVELY COMPLETE, THE RESPONSES TO A
15 NOTICE OF ADMINISTRATIVE COMPLETENESS, A NOTICE OF WHETHER THE APPLICATION
16 IS SUBSTANTIVELY INCOMPLETE, THE RESPONSES TO A NOTICE OF SUBSTANTIVE
17 INCOMPLETENESS, ANY ADDITIONAL REQUESTS BY THE DEPARTMENT FOR INFORMATION
18 AND THE RESPONSES TO THE REQUESTS FOR INFORMATION WITHIN THREE BUSINESS
19 DAYS AFTER ISSUING OR RECEIVING ANY OF THOSE ITEMS. Within thirty days
20 after the department posts ~~a notice pursuant to this subsection~~ THE NOTICE
21 OF SUBSTANTIVE COMPLETENESS, any interested party may provide information
22 to the director on a form in a department-approved format for
23 consideration. THE THIRTY-DAY PERIOD FOR INTERESTED PARTIES TO SUBMIT
24 INFORMATION FOR THE DIRECTOR'S CONSIDERATION DOES NOT INCLUDE THE TIME THE
25 APPLICANT USES TO RESPOND TO A REQUEST FOR ADDITIONAL INFORMATION. If an
26 interested party fails to respond to the notice within ~~sixty~~ THIRTY days
27 in a department-approved format, the information may not be considered
28 during the review of the application.

29 D. For the purposes of this section, a city, town, fire district,
30 fire authority or tribal government whose jurisdictional boundaries in
31 whole or in part are within the service area of a certificate of
32 necessity, an existing certificate of necessity holder within the service
33 area of the certificate of necessity or a hospital that is licensed
34 pursuant to chapter 4 of this title and that is located within the service
35 area of a certificate of necessity is considered to be an interested party
36 as a matter of law.

37 E. All interested parties shall be notified of any application for
38 an initial or amended certificate of necessity within fifteen days after
39 the application is filed, within fifteen days after the application is
40 complete and within fifteen days after a decision by the director. The
41 director's decision pursuant to subsection F of this section is final
42 unless appealed pursuant to section 36-2234, subsection A.

1 F. The director shall issue a certificate of necessity if all of
2 the following apply:

3 1. The director finds that public necessity requires the service or
4 any part of the service proposed by the applicant.

5 2. The director finds that the applicant is fit and proper to
6 provide the service.

7 3. The applicant has paid the appropriate fees pursuant to section
8 36-2240.

9 4. The applicant has filed a surety bond pursuant to section
10 36-2237.

11 G. A certificate of necessity issued pursuant to subsection F of
12 this section shall be for all or part of the service proposed by the
13 applicant as determined necessary by the director for public convenience
14 and necessity.

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

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

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

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

22 1. Metes and bounds.

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

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

29 Sec. 6. Section 36-2234, Arizona Revised Statutes, is amended to
30 read:

31 36-2234. Hearings; waiver of hearing; appeals; emergency
32 action; suspension; judicial review; definition

33 A. The applicant or any certificate of necessity holder whose
34 ambulance service area in whole or in part is within the affected service
35 area of the initial or amended certificate of necessity may appeal
36 pursuant to title 41, chapter 6, article 10 the director's determination
37 within thirty days after the decision. If an appeal is made, the director
38 shall require **THAT** a public hearing be held within one hundred twenty days
39 after the hearing notice is issued on the director's determination on the
40 initial or amended certificate of necessity.

41 B. For the purposes of any hearing held pursuant to this section, a
42 city, town, fire district, fire authority or tribal government whose
43 jurisdictional boundaries in whole or in part are within the service area
44 of a certificate of necessity, an existing certificate of necessity holder
45 within the service area of the certificate of necessity or a hospital that

1 is licensed pursuant to chapter 4 of this title and that is located within
2 the service area of a certificate of necessity is considered to be an
3 interested party as a matter of law.

4 C. The director shall require a public hearing on any proposed
5 action relating to an adjustment of general public rates, charges or
6 certificate of necessity transfers unless subsection E, G or O of this
7 section applies.

8 D. An appeal pursuant to subsection A of this section or a public
9 hearing held pursuant to subsection C of this section shall meet the
10 following requirements:

11 1. The hearing shall be held pursuant to title 41, chapter 6,
12 article 10, except as specifically provided in this section.

13 2. The director shall mail notice of the hearing to every ambulance
14 service in the affected region and every interested party as specified in
15 subsection B of this section not later than fifteen days before the
16 hearing.

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

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

23 5. A certificate of necessity appeal hearing may not last more than
24 five consecutive business days unless the administrative law judge
25 ~~determines, in writing, on the final day of the hearing that there is an~~
26 ~~extraordinary need for additional hearing days~~ AND THE PARTIES TO THE
27 HEARING DETERMINE BEFORE THE HEARING OR BEFORE THE END OF THE SCHEDULED
28 FINAL DAY OF THE HEARING THAT MORE TIME IS REQUIRED. The administrative
29 law judge in that case may add up to five additional consecutive business
30 days for the hearing. ~~The additional hearing days shall be calendared~~
31 ~~within thirty days after the end of the initial hearing.~~

32 6. The administrative law judge of the office of administrative
33 hearings shall issue a written decision within twenty days after the
34 hearing is concluded. The written decision shall contain a concise
35 explanation of the reasons supporting the decision, including the findings
36 of fact and conclusions of law. The administrative law judge shall serve
37 a copy of the decision on the department and all parties to the action.
38 On request of the department, the office of administrative hearings shall
39 also transmit to the department the record of the hearing as described in
40 section 12-904. A copy of the administrative law judge's decision is
41 deemed sent on personal delivery of the decision or five days after the
42 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.

8. If the director does not accept, reject or modify the administrative law judge's decision within thirty days after the date the office of administrative hearings sends a copy of the administrative law judge's decision to the director, as evidenced by receipt of such action by the office of administrative hearings on or before the thirtieth day, the office of administrative hearings shall certify the administrative law judge's decision as the final administrative decision.

9. The decision entered as specifically provided by this subsection is the final administrative decision.

E. The director may waive the hearing required under subsection C 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.

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

G. 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

1 statistics, from the end of the second preceding calendar year to the
2 calendar year immediately preceding the calendar year for which the rate
3 increase is requested.

4 2. Determine the percentage growth in the medical care consumer
5 price index of the United States department of labor, bureau of labor
6 statistics, from the end of the second preceding calendar year to the
7 calendar year immediately preceding the calendar year for which the rate
8 increase is requested.

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

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

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

23 2. Any additional information the department requires to analyze
24 the request.

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

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

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

42 L. Subsections I, J and K of this section are limited to contract
43 rates or a range of rates applied for prescheduled, interfacility or
44 convalescent transports.

1 M. A service contract between an ambulance service and a political
2 subdivision of this state, including local fire districts, **REGARDLESS OF**
3 **WHETHER THE POLITICAL SUBDIVISION HOLDS A CERTIFICATE OF NECESSITY**, shall
4 be filed with and approved by the department in accordance with the
5 following requirements:

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

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

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

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

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

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

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

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

44 P. Except as provided in section 41-1092.08, subsection H, a final
45 decision of the director relating to an adjustment of general public

1 rates, charges or certificate of necessity transfers is subject to
2 judicial review pursuant to title 12, chapter 7, article 6.

3 Q. The final administrative decision of the director or the
4 administrative law judge as prescribed in subsection D of this section for
5 an initial or amended certificate of necessity is subject to judicial
6 review pursuant to title 12, chapter 7, article 6.

7 R. For the purposes of this section, "hearing day":

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

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

13 Sec. 7. Section 36-2235, Arizona Revised Statutes, is amended to
14 read:

15 36-2235. Terms of certificates of necessity; initial term;
16 renewal

17 A. The initial certificate of necessity issued pursuant to section
18 36-2233 to each ambulance service shall be for a term of one year.

19 B. IF THE HOLDER OF THE CERTIFICATE OF NECESSITY APPLIES FOR A
20 RENEWAL AND PAYS THE FEES PRESCRIBED IN SECTION 36-2240 AT LEAST SIXTY
21 DAYS BEFORE THE EXPIRATION DATE OF THE CERTIFICATE OF NECESSITY, EVEN IF
22 THE DEPARTMENT HAS NOT COMPLETED THE REVIEW OF THE APPLICATION TO RENEW
23 THE CERTIFICATE AND THE DIRECTOR HAS NOT MADE A DETERMINATION OF THE
24 ACTIONS TO BE TAKEN BASED ON THE APPLICATION BEFORE THE EXPIRATION DATE OF
25 THE CERTIFICATE OF NECESSITY, THE DIRECTOR SHALL ISSUE A RENEWED
26 CERTIFICATE OF NECESSITY FOR ONE YEAR TO ALLOW TIME TO COMPLETE THE REVIEW
27 OF THE APPLICATION.

28 ~~B.~~ C. On the expiration of a certificate of necessity, if the
29 holder of the certificate meets all requirements, applies for a renewal
30 and pays the fees prescribed in section 36-2240, the director shall renew
31 the certificate for a term of three years without public hearing or waiver
32 unless cause is shown to set a hearing to consider denial or renewal for a
33 shorter term.

34 ~~C.~~ D. If the director does not conclude a hearing to show cause
35 within ninety days of the expiration date of the certificate, the
36 certificate shall be renewed for a period of not less than one year. The
37 term of the certificate shall be extended to three years if the director
38 determines that cause is not established for denial or renewal for a
39 shorter term. For the purposes of this subsection, "hearing to show
40 cause" means a hearing ordered by the director pursuant to section 36-2245
41 to determine ~~if~~ **WHETHER** any grounds exist to prevent an ambulance service
42 from carrying out the provisions of subsection ~~B.~~ C of this section during
43 the current term of the certificate.

1 Sec. 8. 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 to adjust its rates or charges
6 shall automatically be granted a rate increase equal to the amount
7 determined under section 36-2234, subsection G, if the ambulance service
8 is so entitled. An automatic rate adjustment that is granted pursuant to
9 this subsection and that is filed on or before April 1 is effective June 1
10 of that year. The department shall notify the applicant and each health
11 care services organization as defined in section 20-1051 of the rate
12 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 applies to the department to adjust its rates or charges, the ambulance
16 service may adjust its rates or charges to an amount not to exceed the
17 amount sought by the ambulance service in its application to the
18 department. An ambulance service shall not apply to adjust its rates or
19 charges more than once every six months.

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

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

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

(a) The ambulance is staffed with at least one ambulance attendant AND ONE AMBULANCE ATTENDANT WHO IS QUALIFIED TO ADMINISTER ADVANCED LIFE SUPPORT.

(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 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 applies.

1 3. For an interfacility transport when the ambulance is staffed
2 with at least one ambulance attendant as defined in section 36-2201,
3 paragraph 6, subdivision (a), (c), (d) or (e).

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

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

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

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

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

26 4. The rate of return on gross revenue.

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

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

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