

Senate Engrossed

ambulances; response times; rates

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

SENATE BILL 1345

AN ACT

AMENDING SECTIONS 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 36-2232, Arizona Revised Statutes, is amended to
3 read:

4 36-2232. Director; powers and duties; regulation of ambulance
5 services; inspections; response time compliance;
6 mileage rate calculation factors

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

12 1. Consistent with the requirements of subsection H of this
13 section, determine, fix, alter and regulate just, reasonable and
14 sufficient rates and charges for the provision of ambulances, including
15 rates and charges for advanced life support service, basic life support
16 service, patient loaded mileage, standby waiting, subscription service
17 contracts and other contracts for services related to the provision of
18 ambulances. The director shall inform all ambulance services of the
19 procedures and methodology used to determine ambulance rates or charges.
20 THE DIRECTOR MAY ESTABLISH ADDITIONAL RATE CATEGORIES BASED ON CURRENT
21 STANDARDS OF CARE OR SCOPE OF PRACTICE. IF THE DIRECTOR ESTABLISHES A NEW
22 RATE CATEGORY, EXISTING CERTIFICATE OF NECESSITY HOLDERS MAY APPLY TO ADD
23 THE NEW RATE TO THEIR EXISTING RATE STRUCTURE WITHOUT CHANGING THE OTHER
24 RATES AND CHARGES APPROVED FOR THEIR CERTIFICATE OF NECESSITY.

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

27 3. Regulate operating and response times of ambulances to meet the
28 needs of the public and to ensure adequate service. The rules adopted by
29 the director for certificated ambulance service response times shall
30 include uniform standards for urban, suburban, rural and wilderness
31 geographic areas within the certificate of necessity based on, at a
32 minimum, population density and geographic and medical considerations. IF
33 THE CERTIFICATED SERVICE AREA OF MULTIPLE CERTIFICATE OF NECESSITY HOLDERS
34 INCLUDES ALL OR A PORTION OF THE SAME POLITICAL SUBDIVISION, THE PRIMARY
35 PROVIDER FOR THAT POLITICAL SUBDIVISION IS THE POLITICAL SUBDIVISION
36 CERTIFICATE OF NECESSITY HOLDER, IF ONE EXISTS, OR THE CERTIFICATE OF
37 NECESSITY HOLDER THAT IS CONTRACTED AS THE DESIGNATED 911 AMBULANCE
38 PROVIDER FOR THE CERTIFICATED SERVICE AREA. IF A PRIMARY PROVIDER EXISTS,
39 THE OTHER CERTIFICATE OF NECESSITY HOLDERS WITH A CERTIFICATED SERVICE
40 AREA THAT INCLUDES ALL OR A PORTION OF THE POLITICAL SUBDIVISION SHALL BE
41 CONSIDERED SECONDARY PROVIDERS. THE DEPARTMENT RULES SHALL HAVE LESS
42 STRINGENT RESPONSE TIME REQUIREMENTS FOR SECONDARY PROVIDERS. The
43 calculation of response times shall begin when the public safety answering
44 point contacts an ambulance service for dispatch and conclude when the
45 ambulance service arrives at the dispatched location. On-scene arrival

1 times for response time measurement shall be documented by the ambulance
2 service using dispatch or global positioning system data, or a combination
3 of both, and kept on file. Response time data that is compliant with the
4 health insurance portability and accountability act of 1996 shall be filed
5 annually with the department. When dispatch or global positioning system
6 connectivity is not available, the ambulance service shall manually
7 document on-scene arrival times for response time measurement. The
8 response time data shall be filed in a department-approved format, and the
9 department shall make the response time data publicly available.

10 4. Review response times established pursuant to paragraph 3 of
11 this subsection with the ambulance service and update the response times
12 based on, at a minimum, population density and geographic and medical
13 considerations, and the financial impact on rates and charges, every six
14 years. One additional review each six-year period may be requested by a
15 city, town, fire district or fire authority whose jurisdictional
16 boundaries in whole or in part are within the service area of a
17 certificate of necessity or an existing certificate of necessity holder
18 within the service area of the certificate of necessity. A REQUEST FOR AN
19 ADDITIONAL REVIEW PURSUANT TO THIS PARAGRAPH SHALL BE MADE IN WRITING TO
20 THE DEPARTMENT AND SHOW CAUSE FOR THE REQUEST. ANY AGENCY DECISION
21 PURSUANT TO THIS PARAGRAPH IS NOT AN APPEALABLE AGENCY ACTION.

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

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

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

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

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

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

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

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

44 13. Inspect, at a maximum of twelve-month intervals, each ambulance
45 registered pursuant to section 36-2212 to ensure that the vehicle is

1 operational and safe and that all required medical equipment is
2 operational. At the request of the provider, the inspection may be
3 performed by a facility approved by the director. If a provider requests
4 that the inspection be performed by a facility approved by the director,
5 the provider shall pay the cost of the inspection.

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

12 C. An ambulance service shall:

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

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

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

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

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

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

31 1. Inquire into the operation of an ambulance service, including a
32 person operating an ambulance that has not been issued a certificate of
33 registration or a person who does not have or is operating outside of a
34 certificate of necessity.

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

37 3. Review the qualifications of ambulance attendants.

38 E. If all ambulance services that have been granted authority to
39 operate within the same service area or that have overlapping certificates
40 of necessity apply for uniform rates and charges, the director may
41 establish uniform rates and charges for the service area. IF THE DIRECTOR
42 AWARDS A CERTIFICATE OF NECESSITY WITH A SERVICE AREA WITHIN A SERVICE
43 AREA THAT HAS AN ESTABLISHED UNIFORM RATE, THE DIRECTOR MAY DECLARE THE
44 NEW CERTIFICATE OF NECESSITY AS PART OF THE UNIFORM RATE GROUP AND
45 ESTABLISH RATES FOR THE APPLICANT THAT ARE THE SAME AS THE UNIFORM RATE.

1 IF THE DIRECTOR ESTABLISHES RATES THAT ARE DIFFERENT THAN THE UNIFORM RATE
2 GROUP IN THAT SERVICE AREA, THE RATE GROUP IS DISSOLVED AND THE RATES FOR
3 EACH MEMBER OF THE FORMER RATE GROUP SHALL BE THE LAST APPROVED RATES FOR
4 THE RATE GROUP.

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

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

- 23 1. The effect of hospital diversion. ~~—~~
- 24 2. Delayed emergency department admission. ~~and~~
- 25 3. THE NUMBER OF AMBULANCE SERVICES SERVING THE AFFECTED AREA.
- 26 4. The number of ambulances engaged in response or transport in the
27 affected area.

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

- 30 1. The cost of licensure and registration of each ground ambulance
31 vehicle.
- 32 2. The cost of fuel.
- 33 3. The cost of ground ambulance vehicle maintenance.
- 34 4. The cost of ground ambulance vehicle repair.
- 35 5. The cost of tires.
- 36 6. The cost of ground ambulance vehicle insurance.
- 37 7. The cost of mechanic wages, benefits and payroll taxes.
- 38 8. The cost of loan interest related to the ground ambulance
39 vehicles.
- 40 9. The cost of the weighted allocation of overhead.
- 41 10. The cost of ground ambulance vehicle depreciation.
- 42 11. The cost of reserves for replacement of ground ambulance
43 vehicles and equipment.

1 Sec. 2. Section 36-2233, Arizona Revised Statutes, is amended to
2 read:

3 36-2233. Certificate of necessity to operate an ambulance
4 service; notification of interested parties;
5 required posting; exceptions; service areas

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

9 B. Within one hundred eighty days after receiving an application
10 for a certificate of necessity as prescribed in this section, the director
11 shall make a determination based on whether necessity for the ambulance
12 service is found to exist and the applicant meets the requirements of
13 subsection F of this section. If the director requests additional
14 information from the applicant after initial review, the applicant shall
15 have thirty business days to respond. On request, the director may give
16 the applicant one additional period of thirty business days to respond.
17 If the applicant fails to respond to the director's request for additional
18 information, the department shall deem the initial or amended application
19 withdrawn. An application deemed withdrawn is not an appealable agency
20 action pursuant to title 41, chapter 6, article 10. The applicant may
21 appeal a denial only pursuant to section 36-2234. The one hundred
22 eighty-day period for the director to make the determination of necessity
23 does not include the time the applicant uses to respond to requests for
24 additional information.

25 C. On receipt of an initial or amended application for a
26 certificate of necessity, the department shall post a notice of the
27 application on its website. THE DEPARTMENT SHALL ALSO POST ON ITS WEBSITE
28 A NOTICE OF SUBSTANTIVE COMPLETENESS WITHIN THIRTY DAYS AFTER DETERMINING
29 THE APPLICATION IS SUBSTANTIVELY COMPLETE. Within thirty days after the
30 department posts ~~a notice pursuant to this subsection~~ THE NOTICE OF
31 SUBSTANTIVE COMPLETENESS, any interested party may provide information to
32 the director on a form in a department-approved format for consideration.
33 If an interested party fails to respond to the notice within ~~sixty~~ THIRTY
34 days in a department-approved format, the information may not be
35 considered during the review of the application. THE THIRTY DAYS THAT AN
36 INTERESTED PARTY HAS TO RESPOND TO A NOTICE OF SUBSTANTIVE COMPLETENESS
37 TOLLS THE TIME FRAME THE DEPARTMENT HAS TO MAKE A DECISION REGARDING AN
38 INITIAL OR AMENDED APPLICATION FOR A CERTIFICATE OF NECESSITY.

39 D. For the purposes of this section, a city, town, fire district,
40 fire authority or tribal government whose jurisdictional boundaries in
41 whole or in part are within the service area of a certificate of
42 necessity, an existing certificate of necessity holder within the service
43 area of the certificate of necessity or a hospital that is licensed
44 pursuant to chapter 4 of this title and that is located within the service

1 area of a certificate of necessity is considered to be an interested party
2 as a matter of law.

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

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

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

13 2. The director finds that the applicant is fit and proper to
14 provide the service.

15 3. The applicant has paid the appropriate fees pursuant to section
16 36-2240.

17 4. The applicant has filed a surety bond pursuant to section
18 36-2237.

19 G. A certificate of necessity issued pursuant to subsection F of
20 this section shall be for all or part of the service proposed by the
21 applicant as determined necessary by the director for public convenience
22 and necessity.

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

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

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

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

30 1. Metes and bounds.

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

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

37 Sec. 3. Section 36-2234, Arizona Revised Statutes, is amended to
38 read:

39 36-2234. Hearings; waiver of hearing; appeals; emergency
40 action; suspension; judicial review; definition

41 A. The applicant or any certificate of necessity holder whose
42 ambulance service area in whole or in part is within the affected service
43 area of the initial or amended certificate of necessity may appeal
44 pursuant to title 41, chapter 6, article 10 the director's determination
45 within thirty days after the decision. If an appeal is made, the director

1 shall require THAT a public hearing be held within one hundred twenty days
2 after the hearing notice is issued on the director's determination on the
3 initial or amended certificate of necessity.

4 B. For the purposes of any hearing held pursuant to this section, a
5 city, town, fire district, fire authority or tribal government whose
6 jurisdictional boundaries in whole or in part are within the service area
7 of a certificate of necessity, an existing certificate of necessity holder
8 within the service area of the certificate of necessity or a hospital that
9 is licensed pursuant to chapter 4 of this title and that is located within
10 the service area of a certificate of necessity is considered to be an
11 interested party as a matter of law.

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

16 D. An appeal pursuant to subsection A of this section or a public
17 hearing held pursuant to subsection C of this section shall meet the
18 following requirements:

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

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

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

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

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

40 6. The administrative law judge of the office of administrative
41 hearings shall issue a written decision within twenty days after the
42 hearing is concluded. The written decision shall contain a concise
43 explanation of the reasons supporting the decision, including the findings
44 of fact and conclusions of law. The administrative law judge shall serve
45 a copy of the decision on the department and all parties to the action.

1 On request of the department, the office of administrative hearings shall
2 also transmit to the department the record of the hearing as described in
3 section 12-904. A copy of the administrative law judge's decision is
4 deemed sent on personal delivery of the decision or five days after the
5 decision is mailed to the director.

6 7. Within thirty days after the date the office of administrative
7 hearings sends a copy of the administrative law judge's decision to the
8 department, the director shall review the decision and accept, reject or
9 modify the decision. If the director rejects or modifies the decision,
10 the director must file with the office of administrative hearings and
11 serve on all parties a copy of the administrative law judge's decision
12 with the director's rejection or modification and a written justification
13 setting forth the reasons for the rejection or modification of each
14 finding of fact or conclusion of law. If there is a rejection or
15 modification of a conclusion of law, the written justification shall be
16 sent to the president of the senate and the speaker of the house of
17 representatives.

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

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

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

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

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

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

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

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

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

4 1. Determine the percentage growth in the transportation 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 2. Determine the percentage growth in the medical care consumer
10 price index of the United States department of labor, bureau of labor
11 statistics, from the end of the second preceding calendar year to the
12 calendar year immediately preceding the calendar year for which the rate
13 increase is requested.

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

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

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

28 2. Any additional information the department requires to analyze
29 the request.

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

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

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

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

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

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

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

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

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

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

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

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

1 findings of fact and may continue, suspend or modify the director's
2 action.

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

6 P. Except as provided in section 41-1092.08, subsection H, a final
7 decision of the director relating to an adjustment of general public
8 rates, charges or certificate of necessity transfers is subject to
9 judicial review pursuant to title 12, chapter 7, article 6.

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

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

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

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

20 Sec. 4. Section 36-2235, Arizona Revised Statutes, is amended to
21 read:

22 36-2235. Terms of certificates of necessity; initial term;
23 renewal

24 A. The initial certificate of necessity issued pursuant to section
25 36-2233 to each ambulance service shall be for a term of one year.

26 B. IF THE HOLDER OF THE CERTIFICATE OF NECESSITY APPLIES FOR A
27 RENEWAL AND PAYS THE FEES PRESCRIBED IN SECTION 36-2240 AT LEAST SIXTY
28 DAYS BEFORE THE EXPIRATION DATE OF THE CERTIFICATE OF NECESSITY, EVEN IF
29 THE DEPARTMENT HAS NOT COMPLETED THE REVIEW OF THE APPLICATION TO RENEW
30 THE CERTIFICATE AND THE DIRECTOR HAS NOT MADE A DETERMINATION OF THE
31 ACTIONS TO BE TAKEN BASED ON THE APPLICATION BEFORE THE EXPIRATION DATE OF
32 THE CERTIFICATE OF NECESSITY, THE DIRECTOR SHALL ISSUE A TEMPORARY
33 CERTIFICATE OF NECESSITY FOR NOT MORE THAN ONE HUNDRED TWENTY DAYS. ON
34 THE EXPIRATION OF A TEMPORARY CERTIFICATE OF NECESSITY ISSUED PURSUANT TO
35 THIS SUBSECTION, THE DIRECTOR SHALL RENEW THE CERTIFICATE PURSUANT TO
36 SUBSECTION C OF THIS SECTION.

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

43 ~~C.~~ D. If the director does not conclude a hearing to show cause
44 within ninety days of the expiration date of the certificate, the
45 certificate shall be renewed for a period of not less than one year. The

1 term of the certificate shall be extended to three years if the director
2 determines that cause is not established for denial or renewal for a
3 shorter term. For the purposes of this subsection, "hearing to show
4 cause" means a hearing ordered by the director pursuant to section 36-2245
5 to determine ~~if~~ **WHETHER** any grounds exist to prevent an ambulance service
6 from carrying out the provisions of subsection ~~B~~ **C** of this section during
7 the current term of the certificate.

8 Sec. 5. Section 36-2239, Arizona Revised Statutes, is amended to
9 read:

10 **36-2239. Ambulance services: rates: charges: adjustment:**
11 **civil penalty**

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

20 B. Notwithstanding subsection E of this section, if the department
21 does not hold a hearing within ninety days after an ambulance service
22 applies to the department to adjust its rates or charges, the ambulance
23 service may adjust its rates or charges to an amount not to exceed the
24 amount sought by the ambulance service in its application to the
25 department. An ambulance service shall not apply to adjust its rates or
26 charges more than once every six months.

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

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

44 E. The department shall determine and render its decision regarding
45 all rates or charges within ninety days after commencement of the

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

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

19 1. A person requests an ambulance by dialing telephone number 911,
20 or a similarly designated telephone number for emergency calls, and all of
21 the following apply:

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

25 (b) The ambulance is equipped with all required advanced life
26 support medical equipment and supplies for the advanced life support
27 attendants in the ambulance.

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

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

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

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

38 1. A person requests an ambulance by dialing telephone number 911,
39 or a similarly designated telephone number for emergency calls, and all of
40 the following apply:

41 (a) The ambulance is staffed with two ambulance attendants
42 certified by this state.

43 (b) The ambulance is equipped with all required basic life support
44 medical equipment and supplies for the basic life support medical
45 attendants in the ambulance.

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

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

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

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

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

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

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

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

32 4. The rate of return on gross revenue.

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

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

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