House Engrossed

ambulance services; service areas

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

HOUSE BILL 2609

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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 Be it enacted by the Legislature of the State of Arizona: Section 1. Section 36-2232, Arizona Revised Statutes, is amended to read:

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

- A. The director shall adopt rules to regulate the operation of ambulances and ambulance services in this state. Each rule shall identify all sections and subsections of this chapter under which the rule was formulated. The rules shall provide for the department to do the following:
- 1. Determine, fix, alter and regulate just, reasonable and sufficient rates and charges for the provision of ambulances, including rates and charges for advanced life support service, basic life support service, patient loaded mileage, standby waiting, subscription service contracts and other contracts for services related to the provision of ambulances. The director may establish a rate and charge structure as defined by federal medicare guidelines for ambulance services. The director shall inform all ambulance services of the procedures and methodology used to determine ambulance rates or charges.
- 2. ENSURE EVIDENCE-BASED QUALITY PATIENT CARE IS THE PRIORITY FOR DECISION-MAKING.
- 2. 3. Regulate operating and response times of ambulances to meet the needs of the public and to ensure adequate service. The rules adopted by the director for certificated ambulance service response times shall include uniform standards for urban, suburban, rural and wilderness geographic areas within the certificate of necessity based on, at a population density, ANDgeographic medical considerations. RESPONSE TIMES SHALL BEGIN TOLLING WHEN THE PUBLIC SAFETY ANSWERING POINT CONTACTS AN AMBULANCE SERVICE FOR DISPATCH AND CONCLUDE WHEN THE AMBULANCE SERVICE ARRIVES AT THE DISPATCHED LOCATION. TIMES SHALL BE DOCUMENTED BY THE AMBULANCE SERVICE USING DISPATCH OR GLOBAL POSITIONING SYSTEM DATA, OR A COMBINATION OF BOTH, AND KEPT ON FILE. RESPONSE TIME DATA THAT IS COMPLIANT WITH THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 SHALL BE FILED WITH THE DEPARTMENT. THE DEPARTMENT SHALL MAKE THE RESPONSE TIME DATA PUBLICLY AVAILABLE ON ITS PUBLIC WEBSITE.
- 4. REVIEW RESPONSE TIMES ESTABLISHED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION WITH THE AMBULANCE SERVICE AND UPDATE THE RESPONSE TIMES BASED ON, AT A MINIMUM, POPULATION DENSITY AND GEOGRAPHIC AND MEDICAL CONSIDERATIONS, AND THE FINANCIAL IMPACT ON RATES AND CHARGES, EVERY SIX YEARS. ONE ADDITIONAL REVIEW EACH SIX-YEAR PERIOD MAY BE REQUESTED BY A CITY, TOWN, FIRE DISTRICT OR FIRE AUTHORITY WHOSE JURISDICTIONAL BOUNDARIES IN WHOLE OR IN PART ARE WITHIN THE SERVICE AREA OF A CERTIFICATE OF NECESSITY OR AN EXISTING CERTIFICATE OF NECESSITY HOLDER WITHIN THE SERVICE AREA OF THE CERTIFICATE OF NECESSITY.

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- 3. 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.
- 4. 6. Issue, amend, transfer, suspend or revoke certificates of necessity under terms consistent with this article.
- 5. 7. Prescribe a uniform system of accounts to be used by ambulance services that conforms to standard accounting forms and principles for the ambulance industry and generally accepted accounting principles.
- 6. 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.
- 7. Regulate ambulance services in all matters affecting services to the public to the end that this article may be fully carried out.
- 8. 9. Prescribe bonding requirements, if any, for ambulance services granted authority to provide any type of subscription service.
- 9. 10. Offer technical assistance to ambulance services to maximize a healthy and viable business climate for the provision of ambulances ENSURE COMPLIANCE WITH THE RULES.
- 10. 11. Offer technical assistance to ambulance services in order to obtain or to amend a certificate of necessity.
- 11. 12. Inspect, at a maximum of twelve month TWELVE-MONTH intervals, each ambulance registered pursuant to section 36-2212 to ensure that the vehicle is operational and safe and that all required medical equipment is operational. At the request of the provider, the inspection may be performed by a facility approved by the director. If a provider requests that the inspection be performed by a facility approved by the director, the provider shall pay the cost of the inspection.
- B. The director may require any ambulance service offering subscription service contracts to obtain a bond in an amount determined by the director that is based on the number of subscription service contract holders and to file the bond with the director for the protection of 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.
- 2. Determine the operating hours of its suboperation stations to provide for coverage of its base of operation.

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- 3. Provide the department with a list of suboperation station locations.
- 4. Notify the department not later than thirty days after the ambulance service makes a change in the number or location of its suboperation stations.
- 5. INSTALL AND MAINTAIN AN ELECTRONIC GLOBAL POSITIONING SYSTEM MONITORING DEVICE IN EACH VEHICLE THAT IS USED FOR TRANSPORT TO RECORD ARRIVAL TIMES. THE DEPARTMENT MAY PROVIDE A WAIVER ON A DEPARTMENT-APPROVED FORM TO AN AMBULANCE SERVICE THAT IS UNABLE TO MEET THE REQUIREMENT OF THIS PARAGRAPH.
- 6. MAINTAIN RESPONSE RECORDS FOR A PERIOD OF THREE YEARS. ALL AMBULANCE SERVICE RESPONSE RECORDS SHALL BE PROVIDED TO THE DEPARTMENT ON REQUEST.
 - D. At any time, the director or the director's agents may:
- 1. Inquire into the operation of an ambulance service, including a person operating an ambulance that has not been issued a certificate of registration or a person who does not have or is operating outside of a certificate of necessity.
- 2. Conduct on-site inspections of facilities, communications equipment, vehicles, procedures, materials and equipment.
 - 3. Review the qualifications of ambulance attendants.
- E. If all ambulance services that have been granted authority to operate within the same service area or that have overlapping certificates of necessity apply for uniform rates and charges, the director may establish uniform rates and charges for the service area.
- F. In consultation with the medical director of the emergency medical services and trauma system, the emergency medical services council and the medical direction commission, the director of the department of health services shall establish protocols for ambulance services to refer and advise a patient or transport a patient by the most appropriate means to the most appropriate provider of medical services based on the patient's condition. The protocols shall include triage and treatment protocols that allow all classifications of emergency medical care technicians responding to a person who has accessed 911, or a similar public dispatch number, for a condition that does not pose an immediate threat to life or limb to refer and advise a patient or transport a patient to the most appropriate health care institution as defined in section 36-401 based on the patient's condition, taking into consideration factors including patient choice, the patient's health care provider, specialized health care facilities and local protocols.
- G. The director, when reviewing an ambulance service's response time compliance with its certificate of necessity, shall consider in addition to other factors the effect of hospital diversion, delayed emergency department admission and the number of ambulances engaged in response or transport in the affected area.

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

36-2233. <u>Certificate of necessity to operate an ambulance service; exceptions; service areas</u>

- A. Any person wishing to operate an ambulance service in this state shall apply to the department on a form prescribed by the director for a certificate of necessity.
- B. WITHIN ONE HUNDRED EIGHTY DAYS AFTER RECEIVING AN APPLICATION FOR A CERTIFICATE OF NECESSITY AS PRESCRIBED IN THIS SECTION, THE DIRECTOR SHALL MAKE A DETERMINATION BASED ON WHETHER NECESSITY FOR THE AMBULANCE SERVICE IS FOUND TO EXIST AND THE APPLICANT MEETS THE REQUIREMENTS OF SUBSECTION C OF THIS SECTION. IF THE DIRECTOR REQUESTS ADDITIONAL INFORMATION FROM THE APPLICANT AFTER INITIAL REVIEW, THE APPLICANT SHALL HAVE THIRTY BUSINESS DAYS TO RESPOND. ON REQUEST, THE DIRECTOR MAY GIVE THE APPLICANT ONE ADDITIONAL PERIOD OF THIRTY BUSINESS DAYS TO RESPOND. THE ONE HUNDRED EIGHTY-DAY-PERIOD FOR THE DIRECTOR TO MAKE THE DETERMINATION OF NECESSITY DOES NOT INCLUDE THE TIME THE APPLICANT USES TO RESPOND TO REQUESTS FOR ADDITIONAL INFORMATION.
- B. C. The director shall issue a certificate of necessity if all of the following apply:
- 1. The ambulance service has a certificate of registration issued by the department for at least one ambulance pursuant to section 36-2212.
- 2. 1. The director finds that public necessity requires the service or any part of the service proposed by the applicant.
- 3. 2. The director finds that the applicant is fit and proper to provide the service.
- $\frac{4.}{3}$. The applicant has paid the appropriate fees pursuant to section 36-2240.
- $\frac{5.}{4.}$ The applicant has filed a surety bond pursuant to section 36-2237.
- \mathbb{C} . D. A certificate of necessity issued pursuant to subsection \mathbb{B} C of this section shall be for all or part of the service proposed by the applicant as determined necessary by the director for public convenience and necessity.
- D. E. This section does not require a certificate of necessity for:
- 1. Vehicles and persons that are exempt from a certificate of registration pursuant to section 36-2217.
- 2. Ambulance services operating under temporary authority pursuant to section 36-2242.
- E. F. The director may grant a service area by one or any combination of the following descriptions:
 - 1. Metes and bounds.
- 2. A city, town or political subdivision not limited to a specific date. The merger or consolidation of two or more fire districts pursuant

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 to section 48-820 or 48-822 does not expand the service area boundaries of an existing certificate of necessity.

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

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

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36-2234. <u>Hearings; waiver of hearing; emergency action;</u> suspension; judicial review; definition
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A. The director shall require a public hearing on any proposed action related to rates, fares or charges, operating or response times, bases of operation or certificates of necessity unless subsection C, E, or M of this section applies.

A. ANY CERTIFICATE OF NECESSITY HOLDER WHOSE AMBULANCE SERVICE AREA IN WHOLE OR IN PART IS WITHIN THE AFFECTED SERVICE AREA OF THE NEW AMBULANCE SERVICE MAY APPEAL THE DIRECTOR'S DETERMINATION WITHIN THIRTY DAYS AFTER THE DECISION. IF AN APPEAL IS MADE, THE DIRECTOR SHALL REQUIRE A PUBLIC HEARING BE HELD WITHIN ONE HUNDRED TWENTY DAYS OF THE HEARING NOTICE BEING ISSUED ON ANY PROPOSED ACTION RELATED TO RATES, FARES OR CHARGES, OPERATING OR RESPONSE TIMES, OR BASES OF OPERATION OR CERTIFICATES OF NECESSITY UNLESS SUBSECTION E, G OR O OF THIS SECTION APPLIES. IF NO APPEAL IS MADE, THE DIRECTOR'S DECISION STANDS.

- B. FOR THE PURPOSES OF ANY HEARING HELD PURSUANT TO THIS SECTION, 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, AN EXISTING CERTIFICATE OF NECESSITY HOLDER WITHIN THE SERVICE AREA OF THE CERTIFICATE OF NECESSITY OR A HOSPITAL THAT IS LICENSED PURSUANT TO CHAPTER 4 OF THIS TITLE AND THAT IS LOCATED WITHIN THE SERVICE AREA OF A CERTIFICATE OF NECESSITY IS CONSIDERED TO BE AN INTERESTED PARTY AS A MATTER OF LAW.
- C. ALL INTERESTED PARTIES SHALL BE NOTIFIED OF ANY APPLICATIONS FOR A NEW OR EXPANDED CERTIFICATE OF NECESSITY WITHIN FIFTEEN DAYS AFTER AN APPLICATION HAS BEEN FILED, WITHIN FIFTEEN DAYS AFTER THE APPLICATION IS COMPLETE AND WITHIN FIFTEEN DAYS AFTER A DECISION BY THE DIRECTOR.
- B. D. A public hearing held pursuant to subsection A of this section shall meet the following requirements:
- 1. The hearing shall be held pursuant to title 41, chapter 6, article $10. \,$
- 2. The director shall mail notice of the hearing to every ambulance service in the affected region $\overline{n\sigma}$ AND EVERY INTERESTED PARTY AS SPECIFIED IN SUBSECTION B OF THIS SECTION NOT later than fifteen days before the hearing.
- 3. The director may mail notice to other persons who the director determines are interested in the hearing.
- 4. In a hearing or rehearing conducted pursuant to this article, an ambulance service may be represented by a corporate officer, an employee

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or a designee who has been specifically authorized by the ambulance service to represent it.

- 5. A certificate of necessity hearing may not last more than ten FIVE CONSECUTIVE BUSINESS days unless the administrative law judge determines, in writing, on the final day of the hearing that there is an extraordinary need for additional hearing days. THE ADMINISTRATIVE LAW JUDGE IN THAT CASE MAY ADD UP TO FIVE ADDITIONAL CONSECUTIVE BUSINESS DAYS FOR THE HEARING. THE ADDITIONAL HEARING DAYS SHALL BE CALENDARED WITHIN THIRTY DAYS AFTER THE END OF THE INITIAL HEARING.
- C. E. The director may waive the hearing required under subsection A of this section if notification, including a general description of the proposed action of the department and the time and manner for any interested person to request a hearing, is given and all of the following apply:
- 1. Notification of the proposed action has been sent to every ambulance service in the affected region $\overline{n\sigma}$ AND EVERY INTERESTED PARTY AS SPECIFIED IN SUBSECTION B OF THIS SECTION 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 $\frac{1}{100}$ 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.
- $rac{ extsf{D.}}{ extsf{F.}}$ F. If the director receives a request WITHIN THE FIFTEEN-DAY NOTIFICATION PERIOD pursuant to subsection $rac{ extsf{C-}}{ extsf{C-}}$ E, paragraph 4 of this section, the director shall hold a hearing in compliance with subsection $rac{ extsf{B-}}{ extsf{D-}}$ D of this section.
- $\overline{\mathsf{c}}$. 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 statistics, from the end of the second preceding calendar year to the calendar year immediately preceding the calendar year for which the rate increase is requested.
- 2. Determine the percentage growth in the medical care consumer price index of the United States department of labor, bureau of labor statistics, from the end of the second preceding calendar year to the calendar year immediately preceding the calendar year for which the rate increase is requested.

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- 3. Add the amount determined in paragraph 1 of this subsection to the amount determined in paragraph 2 of this subsection and divide the sum by two.
- F. H. A rate increase authorized pursuant to subsection \mathbf{E} \mathbf{G} of this section is deemed to be fixed by the department at the requested level. Notwithstanding subsection \mathbf{C} \mathbf{E} of this section, the department shall hold a hearing pursuant to section 36-2232, subsection \mathbf{E} for any proposed uniform rate or charge that exceeds the annual rate increase prescribed in subsection \mathbf{E} \mathbf{G} of this section. The department shall require the applicants to submit the following information signed by the designated financial officer and the chief executive of the ambulance service who has fiduciary responsibility for providing accurate financial information:
- 1. A financial statement for the previous twenty-four months relating to the certificated areas.
- 2. Any additional information the department requires to analyze the request.
- G. I. If an ambulance service with an established general public rate applies for a contract rate or range of rates that is up to thirty percent less than its established rate, the director shall grant the rate without a public hearing or waiver, and without any right of intervention, unless within ninety days of AFTER the filing of a completed application the director determines that the contract rate or range of rates applied for does not accurately reflect the cost and economics of providing the contract services, would adversely affect the service available to the general public in the area of service as designated by its certificate of necessity or would cause any fixed rate, fare or charge to the general public to be adversely affected.
- H. J. If the department disallows a proposed contract rate pursuant to subsection G I of this section, the ambulance service has a right to a hearing for review of the proposed contract rate or range of rates.
- $rac{ extbf{T.}}{ extbf{C}}$ K. The director may adopt rules for the establishment of a contract rate or range of rates that may be implemented and that exceeds the thirty percent rate variance identified pursuant to subsection $rac{ extbf{G}}{ extbf{C}}$ I of this section.
- $\frac{J.}{J.}$ L. Subsections $\frac{G.}{G.}$ H and I, J AND K of this section are limited to contract rates or a range of rates applied for prescheduled, interfacility or convalescent transports.
- K. M. A service contract between an ambulance service and a political subdivision of this state, including local fire districts, shall be filed with and approved by the department in accordance with the following requirements:
- 1. On receipt of the proposed contract, the department has fifteen days to review the contract and notify the ambulance service of any

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additional information the department requires, recommended corrections or any provision that does or may violate this article.

- 2. The ambulance service has fifteen days to provide the department with the information requested or to submit a revised or amended contract if required under paragraph 1 of this subsection.
- 3. The contract becomes effective fifteen days after the ambulance service complies with the department's request unless the department determines that any rate or charge or other provisions specified in the contract will cause any fixed rate or charge to the general public rate to be adversely affected or the contract would be in violation of the ambulance service's certificate of necessity.
- 4. If the department disallows a proposed contract pursuant to this subsection, the ambulance service has a right to a hearing for review of the proposed contract.
- 5. The rates and charges contained in the contract are the rates and charges fixed by the director in a decision or order for the ambulance service and conform to the ambulance service's current or subsequent general public rates and charges.
- 6. The area of response is within the ambulance service's certificated area.
- N. In case of emergency, the director may take action providing for immediate suspension of a certificate of registration or a certificate of necessity, or both, under this section without notice or a hearing if the director determines that a potential threat to the public health and safety exists. If such an action is taken by the director, the director shall conduct a hearing within ten days after the date of the director's action unless the person against whom the action is directed waives the right to have a hearing held within ten days. If the ten-day hearing requirement is waived, the director shall set a date mutually agreeable to the interested parties. The purpose of the hearing is to review the decision of the director to take such an action. The director shall make findings of fact and may continue, suspend or modify the director's action.
- M. O. The director shall waive the hearing required under subsection A of this section if geographical GEOGRAPHIC changes in suboperation stations do not alter the service area or adversely affect approved response times.
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 m N.}$ P. Except as provided in section 41-1092.08, subsection H, a final decision of the director is subject to judicial review pursuant to title 12, chapter 7, article 6.
 - 0. For the purposes of this section, "hearing day":
- 1. Means any portion of a business day that is used for any hearing-related activity, including testimony, argument or presentation of evidence.

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

Sec. 4. Section 36-2236, Arizona Revised Statutes, is amended to read:

36-2236. <u>Nature of certificates of necessity; transfer;</u> suspension; service area

- A. A certificate of necessity issued pursuant to this article is not a franchise, may be revoked by the director and does not confer a property right on its holder.
- B. A certificate of necessity shall not be assigned or otherwise transferred without the written approval of the director. When any certificate is assigned or transferred, the director shall issue to the assignee or transferee a new certificate THAT IS valid only for the unexpired term of the transferred or assigned certificate.
- C. In case of emergency, the director may suspend a certificate of necessity as provided in section 36-2234.
- D. If a certificate of necessity issued pursuant to this article includes any IS ISSUED TO A city, town, FIRE DISTRICT, FIRE AUTHORITY or other political subdivision of this state, the service area shall be all the geographical GEOGRAPHIC area lying within THE JURISDICTIONAL BOUNDARIES OF the city, town, FIRE DISTRICT, FIRE AUTHORITY or political subdivision, unless the certificate issued by the director specifically excludes a portion of the city, town, FIRE DISTRICT, FIRE AUTHORITY or political subdivision OR INCLUDES AN ADDITIONAL SERVICE AREA OUTSIDE THE JURISDICTIONAL BOUNDARIES OF THE CITY, TOWN, FIRE DISTRICT, FIRE AUTHORITY OR OTHER POLITICAL SUBDIVISION. IF THE JURISDICTIONAL BOUNDARIES OF A CITY, TOWN, FIRE DISTRICT, FIRE AUTHORITY OR OTHER POLITICAL SUBDIVISION EXPAND, THE SERVICE AREA IN THE CERTIFICATE OF NECESSITY EXPANDS TO REFLECT THOSE JURISDICTIONAL BOUNDARIES, EXCEPT AS PRESCRIBED IN SECTION 36-2233, SUBSECTION F, PARAGRAPH 2. This subsection does not affect the validity of any previously granted certificate for an unincorporated area lying within the boundaries of a city.
- E. IF THE POPULATION OF A SERVICE AREA CHANGES, THE DEPARTMENT MUST CONDUCT A REVIEW TO DETERMINE WHETHER ADJUSTMENTS MUST BE MADE TO THE RESPONSE TIMES IN THE SERVICE AREA, TAKING INTO CONSIDERATION THE IMPACT ON RATES AND CHARGES.
- Sec. 5. Section 36-2239, Arizona Revised Statutes, is amended to read:

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36-2239. <u>Ambulance services; rates; charges; adjustment; civil penalty</u>
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A. An ambulance service that applies for an adjustment in TO ADJUST its rates or charges shall automatically be granted a rate increase equal to the amount determined under section 36-2234, subsection $\frac{E}{C}$ G, if the ambulance service is so entitled. An automatic rate adjustment that is granted pursuant to this subsection and that is filed on or before April 1

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is effective June 1 of that year. The department shall notify the applicant and each health care services organization as defined in section 20-1051 of the rate adjustment on or before May 1 of that year.

- B. Notwithstanding subsection E of this section, if the department does not hold a hearing within ninety days after an ambulance service submits an application APPLIES to the department for an adjustment of TO ADJUST its rates or charges, the ambulance service may adjust its rates or charges to an amount not to exceed the amount sought by the ambulance service in its application to the department. An ambulance service shall not apply for an adjustment of TO ADJUST its rates or charges more than once every six months.
- C. At the time it THE DEPARTMENT holds a hearing on the rates or charges of an ambulance service pursuant to section 36-2234, the department may adjust the rates or charges adjusted by the ambulance service pursuant to subsection B of this section, but the adjustment shall not be retroactive.
- D. Except as provided in subsection H of this section, an ambulance service shall not charge, demand or collect any remuneration for any service greater or less than or different from the rate or charge determined and fixed by the department as the rate or charge for that service. An ambulance service may charge for disposable supplies, medical supplies and medication and oxygen related costs if the charges do not exceed the manufacturer's suggested retail price, are uniform throughout the ambulance service's certificated area and are filed with the director. An ambulance service shall not refund or limit in any manner or by any device any portion of the rates or charges for a service that the department has determined and fixed or ordered as the rate or charge for that service.
- E. The department shall determine and render its decision regarding rates or charges within ninety days after commencement of the applicant's hearing for an adjustment of TO ADJUST rates or charges. If the department does not render its decision as required by this subsection, the ambulance service may adjust its rates and charges to an amount that does not exceed the amounts sought by the ambulance service in its application to the department. If the department renders a decision to adjust the rates or charges to an amount less than that requested in the application and the ambulance service has made an adjustment to ADJUSTED its rates and charges that is higher than the adjustment approved by the department, within thirty days after the department's decision the ambulance service shall refund to the appropriate ratepayer the difference between the ambulance service's adjusted rates and charges and the rates and charges ordered by the department. The ambulance service shall provide evidence to the department that the refund has been made. If the ambulance service fails to comply with this subsection, the director may

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 impose a civil penalty subject to the limitations 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 the ambulance service meets ALL OF the following APPLY:
 - (a) The ambulance is staffed with at least one ambulance attendant.
- (b) The ambulance is equipped with all required advanced life support medical equipment and supplies for the advanced life support attendants in the ambulance.
- (c) The patient receives advanced life support services or is transported by the advanced life support unit.
- 2. Advanced life support is requested by a medical authority or by the patient.
- 3. The ambulance attendants administer one or more specialized treatment activities or procedures as prescribed by the department by rule.
- G. An ambulance service shall charge the basic life support base rate as prescribed by the director under any of the following circumstances:
- 1. A person requests an ambulance by dialing telephone number 911, or a similarly designated telephone number for emergency calls, and the ambulance service meets ALL OF the following APPLY:
- (a) The ambulance is staffed with two ambulance attendants certified by this state.
- (b) The ambulance is equipped with all required basic life support medical equipment and supplies for the basic life support medical attendants in the ambulance.
- (c) The patient receives basic life support services or is transported by the basic life support unit.
- 2. Basic life support transportation or service is requested by a medical authority or by the patient, unless any provision of subsection F of this section applies, in which case the advanced life support rate shall apply APPLIES.
- H. For each contract year, the Arizona health care cost containment system administration and its contractors and subcontractors shall provide remuneration for ambulance services for persons who are enrolled in or covered by the Arizona health care cost containment system in an amount equal to 68.59 percent of the amounts as prescribed by the department as of July 1 of each year for services specified in subsections F and G of this section and 68.59 percent of the mileage charges as determined by the department as of July 1 of each year pursuant to section 36-2232. The Arizona health care cost containment system administration shall make

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 annual adjustments to ANNUALLY ADJUST the Arizona health care cost containment system fee schedule according to the department's approved ambulance service rate in effect as of July 1 of each year. The rate adjustments made pursuant to this subsection are effective beginning October 1 of each year.

- I. In establishing rates and charges, the director shall consider the following factors:
- 1. The transportation needs assessment of the medical response system in a political subdivision.
- 2. The medical care consumer price index of the United States department of labor, bureau of labor statistics.
- 3. Whether a review is made by a local emergency medical services coordinating system in regions where that system is designated as to the appropriateness of the proposed service level.
 - 4. The rate of return on gross revenue.
- 5. Response times pursuant to section 36-2232, subsection A, paragraph 2 PARAGRAPHS 3 AND 4.
- J. Notwithstanding section 36-2234, an ambulance service may charge an amount for medical assessment, equipment or treatment that exceeds the requirements of section 36-2205 if requested or required by a medical provider or patient.
- K. Notwithstanding subsections D, F and G of this section, an ambulance service may provide gratuitous services if an ambulance is dispatched and the patient subsequently declines to be treated or transported.
- Sec. 6. Section 36-2242, Arizona Revised Statutes, is amended to read:

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36-2242. <u>Temporary authority to operate in urgent circumstances; application; application to provide permanent service</u>
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- A. If the director determines that there is an immediate and urgent need for service to one or more points or within an area lacking adequate ambulance service, the director may, at his THE DIRECTOR'S discretion and without a hearing or other proceeding, grant an ambulance service, FIRE DEPARTMENT, FIRE DISTRICT OR FIRE AUTHORITY temporary authority to provide the needed service. The temporary authority is valid for the period specified by the director, not to exceed ninety days, and may not be renewed BE EXTENDED FOR ONE ADDITIONAL NINETY-DAY PERIOD.
- B. An applicant for temporary authority pursuant to this section shall submit to the director a verified written statement setting forth the circumstances of the immediate and urgent need for service. THE APPLICANT MUST DEMONSTRATE THAT THE SERVICE PROVIDED UNDER THE TEMPORARY AUTHORITY WILL BE IN APPROPRIATELY EQUIPPED VEHICLES DESIGNED FOR PATIENT TRANSPORT AND STAFFED WITH APPROPRIATELY CERTIFIED PERSONNEL FOR PATIENT CARE. The director shall prescribe a temporary schedule of rates and

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charges which shall THAT DO not exceed rates and charges established by the director for similar services.

- C. The department may make an independent investigation to determine whether there is an immediate and urgent need for the authority requested.
- D. During the period of temporary authority, a person granted temporary authority shall file an application for a certificate of necessity to conduct the service if he THE PERSON intends to continue the service after the temporary authority expires. A grant of temporary authority pursuant to this section does not create a presumption that permanent authority for the service should be granted.
- Sec. 7. Section 36-2246, Arizona Revised Statutes, is amended to read:

36-2246. <u>Fire districts: rural ambulance services: request</u> for information; format

- A. The department shall implement a format to govern its requests for information from each fire district that holds a certificate of necessity to operate an ambulance service under this chapter that substantially conforms to the annual report prescribed by section 48-251.
- B. The department's request for financial information from each fire district that holds a certificate of necessity to operate an ambulance service under this chapter shall substantially conform to the accounting method prescribed by section 48-251.
- C. The department's request for information from each rural ambulance service that holds a certificate of necessity under this chapter shall include the minimum information the department requires under section 36-2232, subsection A, paragraphs $\frac{5}{2}$ and $\frac{6}{2}$ 7 AND 8.

Sec. 8. Rulemaking exemption

Notwithstanding any other law, for the purposes of section 36-2232, Arizona Revised Statutes, as amended by this act, the department of health services is exempt from the rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes, for one year after the effective date of this act.

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