

State of Arizona
House of Representatives
Forty-sixth Legislature
Second Regular Session
2004

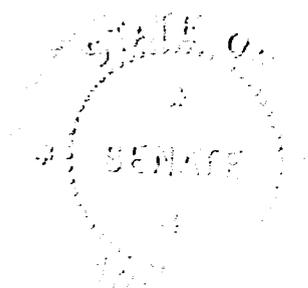
CHAPTER 271

HOUSE BILL 2568

AN ACT

AMENDING SECTION 36-2234, ARIZONA REVISED STATUTES; RELATING TO THE
REGULATION OF AMBULANCES AND AMBULANCE SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)



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

2 Section 1. Section 36-2234, Arizona Revised Statutes, is amended to
3 read:

4 36-2234. Hearings; waiver of hearing; emergency action;

5 judicial review

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

10 B. A public hearing held pursuant to subsection A of this section
11 shall meet the following requirements:

12 1. The hearing shall be held pursuant to title 41, chapter 6, article
13 10.

14 2. The director shall mail notice of the hearing to every ambulance
15 service in the affected region no later than fifteen days before the hearing.

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

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

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

26 1. Notification of the proposed action has been sent to every
27 ambulance service in the affected region no later than fifteen days before
28 the action.

29 2. The director has notified other persons who the director determines
30 are interested in the proposed action no later than fifteen days before the
31 action.

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

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

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

40 E. The director shall not hold a hearing if a person requests a
41 hearing regarding a rate increase which THAT does not exceed the amount
42 computed as follows:

43 1. Determine the percentage growth in the GDP price deflator, as
44 defined in section 41-563, subsection E, from the end of the second preceding

1 calendar year to the calendar year immediately preceding the calendar year
2 for which the rate increase is requested.

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

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

11 F. A rate increase authorized pursuant to subsection E of this section
12 is deemed to be fixed by the department at the requested
13 level. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, THE DEPARTMENT SHALL
14 HOLD A HEARING PURSUANT TO SECTION 36-2232, SUBSECTION E FOR ANY PROPOSED
15 UNIFORM RATE OR CHARGE THAT EXCEEDS THE ANNUAL RATE INCREASE PRESCRIBED IN
16 SUBSECTION E OF THIS SECTION. THE DEPARTMENT SHALL REQUIRE THE APPLICANTS
17 TO SUBMIT THE FOLLOWING INFORMATION SIGNED BY THE DESIGNATED FINANCIAL
18 OFFICER AND THE CHIEF EXECUTIVE OF THE AMBULANCE SERVICE WHO HAS FIDUCIARY
19 RESPONSIBILITY FOR PROVIDING ACCURATE FINANCIAL INFORMATION:

20 1. A FINANCIAL STATEMENT FOR THE PREVIOUS TWENTY-FOUR MONTHS RELATING
21 TO THE CERTIFICATED AREAS.

22 2. ANY ADDITIONAL INFORMATION THE DEPARTMENT REQUIRES NECESSARY TO
23 ANALYZE THE REQUEST.

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

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

38 I. The director may adopt rules for the establishment of a contract
39 rate or range of rates which THAT may be implemented and which THAT exceeds
40 the thirty per cent rate variance identified pursuant to subsection G of this
41 section.

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

1 K. A service contract between an ambulance service and a political
2 subdivision of this state, including local fire districts, shall be filed
3 with and approved by the department in accordance with the following
4 requirements:

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

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

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

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

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

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

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

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

42 N. Except as provided in section 41-1092.08, subsection H, a final
43 decision of the director is subject to judicial review pursuant to title 12,
44 chapter 7, article 6.

APPROVED BY THE GOVERNOR MAY 26, 2004.

- 3 -

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 27, 2004.

Passed the House March 10, 2004,

Passed the Senate May 12, 2004,

by the following vote: 54 Ayes,

by the following vote: 26 Ayes,

6 Nays, 0 Not Voting

0 Nays, 4 Not Voting

Jake Flake
Speaker of the House

Ken Bennett
President of the Senate

Herman L. Moore
Chief Clerk of the House

Charmian Billington
Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

H.B. 2568

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 19, 2004,

by the following vote: 47 Ayes,

12 Nays, 1 Not Voting

Jake Flake
Speaker of the House

Shirley L. Spore
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

20th day of May, 2004,

at 10:42 o'clock A. M.

Wendy Ybarra
Secretary to the Governor

Approved this 26 day of

May, 2004,

at 4:40 o'clock P. M.

J. Noyes
Governor of Arizona

H.B. 2568

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 27 day of May, 2004,

at 8:29 o'clock A. M.

Janice K. Brewer
Secretary of State