



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

March 29, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on March 29, 2018:

HB 2035 deferred compensation plans; governing committee (Livingston)
HB 2156 legislative vacancy; appointment; time frame (Coleman)
HB 2196 certificates of necessity; hearings; duration (Carter)
HB 2242 fire districts; revisions; county islands (Farnsworth, E.)
HB 2258 diabetes; annual report (Carter)
HB 2412 leave of absence; day; definition (Shope)
HB 2477 high school mathematics; proficiency; notification (Udall)
HB 2505 converted entities; claims (Cobb)
HB 2513 hyperbaric oxygen therapy; veterans; fund (Finchem)
HB 2536 dual enrollment; homeschooled children (Bowers)
SB 1073 orthotics; prosthetic devices; valid prescription (Brophy McGee)
SB 1111 workers' compensation; opioids; dispensed medications (Fann)
SB 1204 trusts and estates (Worsley)
SB 1253 game and fish; licenses; fees (Griffin)
SB 1294 tax corrections act of 2018 (Farnsworth, D.)
SB 1401 ignition interlock device; installer; manufacturer (Worsley)
SB 1405 corporate income tax allocation; sales (Fann)
SB 1422 universities; tuition and fees (Griffin)

SB 1499 community facilities districts; directors (Smith)
SB 1502 ignition interlock device; incarceration credits (Smith)
SB 1518 department of child safety; reports (Brophy McGee)

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive, flowing style.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed
FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 92
HOUSE BILL 2196

AN ACT

AMENDING SECTION 36-2234, 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 36-2234, Arizona Revised Statutes, is amended to
3 read:

4 36-2234. Hearings; waiver of hearing; emergency action;
5 judicial review; definition

6 A. The director shall require a public hearing on any proposed
7 action related to rates, fares or charges, operating or response times,
8 bases of operation or certificates of necessity unless subsection C, E, or
9 M of this 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,
13 article 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
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 HEARING MAY NOT LAST MORE THAN TEN
24 DAYS UNLESS THE ADMINISTRATIVE LAW JUDGE DETERMINES, IN WRITING, ON THE
25 FINAL DAY OF THE HEARING THAT THERE IS AN EXTRAORDINARY NEED FOR
26 ADDITIONAL HEARING DAYS.

27 C. The director may waive the hearing required under subsection A
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 no later than fifteen days before
34 the action.

35 2. The director has notified other persons who the director
36 determines are interested in the proposed action no 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 FIFTEEN-DAY notification period for a hearing to be held on the proposed
43 action.

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

4 E. The director shall not hold a hearing if a person requests a
5 hearing regarding a rate increase that does not exceed the amount computed
6 as follows:

7 1. Determine the percentage growth in the transportation consumer
8 price index of the United States department of labor, bureau of labor
9 statistics, from the end of the second preceding calendar year to the
10 calendar year immediately preceding the calendar year for which the rate
11 increase is requested.

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

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

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

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

31 2. Any additional information the department requires to analyze
32 the request.

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

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

4 I. The director may adopt rules for the establishment of a contract
5 rate or range of rates that may be implemented and that exceeds the thirty
6 ~~per cent~~ PERCENT rate variance identified pursuant to subsection G of this
7 section.

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

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

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

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

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

28 4. If the department disallows a proposed contract pursuant to this
29 subsection, the ambulance service has a right to a hearing for review of
30 the proposed contract.

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

35 6. The area of response is within the ambulance service's
36 certificated area.

37 L. In case of emergency, the director may take action providing for
38 immediate suspension of a certificate of registration or a certificate of
39 necessity, or both, under this section without notice or a hearing if the
40 director determines that a potential threat to the public health and
41 safety exists. If such AN action is taken by the director, the director
42 shall conduct a hearing within ten days after the date of the director's
43 action unless the person against whom the action is directed waives the
44 right to have a hearing held within ten days. If the ~~ten day~~ TEN-DAY
45 hearing requirement is waived, the director shall set a date mutually

1 agreeable to the interested parties. The purpose of the hearing is to
2 review the decision of the director to take such AN action. The director
3 shall make findings of fact and may continue, suspend or modify the
4 director's action.

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

8 N. Except as provided in section 41-1092.08, subsection H, a final
9 decision of the director is subject to judicial review pursuant to title
10 12, chapter 7, article 6.

11 O. FOR THE PURPOSES OF THIS SECTION, "HEARING DAY":

12 1. MEANS ANY PORTION OF A BUSINESS DAY THAT IS USED FOR ANY
13 HEARING-RELATED ACTIVITY, INCLUDING TESTIMONY, ARGUMENT OR PRESENTATION OF
14 EVIDENCE.

15 2. DOES NOT INCLUDE PREHEARING CONFERENCES OR OTHER ADMINISTRATIVE
16 MATTERS THAT OCCUR BEFORE THE START OF THE HEARING.

APPROVED BY THE GOVERNOR MARCH 29, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2018

Passed the House February 21, 20 18

Passed the Senate March 26, 20 18

by the following vote: 60 Ayes,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

0 Nays, 0 Not Voting

[Signature]
Speaker of the House
 Pro Tempore
[Signature]
Chief Clerk of the House

[Signature]
President of the Senate
[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

27th day of March, 20 18

at 9:26 o'clock A. M.

[Signature]
Secretary to the Governor

Approved this 29th day of

March 2018

at 12:11 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 29 day of March, 20 18

at 3:04 o'clock P. M.

[Signature]
Secretary of State

H.B. 2196