

**OCTOBER 18, 2019**

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**ARTICLE 9. GROUND AMBULANCE CERTIFICATE OF NECESSITY**

- R9-25-901. Definitions (Authorized by A.R.S. § 36-2202 (A))
- R9-25-902. Application for an Initial Certificate of Necessity; Provision of ALS Services; Transfer of a Certificate of Necessity (Authorized by A.R.S. §§ 36-2204, 36-2232, 36-2233(B), 36-2236(A) and (B), 36-2240)
- R9-25-903. Determining Public Necessity (Authorized by A.R.S. § 36-2233(B)(2))
- R9-25-904. Application for Renewal of a Certificate of Necessity (Authorized by A.R.S. §§ 36-2233, 36-2235, 36-2240)
- R9-25-905. Application for Amendment of a Certificate of Necessity (Authorized by A.R.S. §§ 36-2232(A)(4), 36-2240)
- R9-25-906. Determining Response Times, Response Codes, and Response-Time Tolerances for Certificates of Necessity and Provision of ALS Services (Authorized by A.R.S. §§ 36-2232, 36-2233)

**[Add Section about Operations and include some of the requirements in sections below?]**

- R9-25-907. Observance of Service Area; Exceptions (Authorized by A.R.S. § 36-2232)
- R9-25-908. Transport Requirements; Exceptions (Authorized by A.R.S. §§ 36-2224, 36-2232)
- R9-25-909. Certificate of Insurance or Self-Insurance (Authorized by A.R.S. §§ 36-2232, 36-2233, 36-2237)
- R9-25-910. Record and Reporting Requirements (Authorized by A.R.S. §§ 36-2232, 36-2241, 36-2246)
- R9-25-911. Ground Ambulance Service Advertising (Authorized by A.R.S. § 36-2232)
- R9-25-912. Disciplinary Action (Authorized by A.R.S. §§ 36-2244, 36-2245)

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## ARTICLE 9. GROUND AMBULANCE CERTIFICATE OF NECESSITY

### **R9-25-901. Definitions (Authorized by A.R.S. § 36-2202 (A))**

In addition to the definitions in A.R.S. § 36-2201 and R9-25-101, the following definitions apply in Articles 9, 10, 11, and 12 unless otherwise specified:

1. “Adjustment” means a modification, correction, or alteration to a rate or charge.
  - **Add definition of “advertising” as used in R9-25-911.**
2. “ALS base rate” means the monetary amount assessed to a patient according to A.R.S. § 36-2239(F).
3. “Ambulance Revenue and Cost Report” means Exhibit A or Exhibit B, which records and reports the financial activities of an applicant or a certificate holder. **[Exhibit 9A or 9B]**
4. “Application packet” means the fee, documents, forms, and additional information the Department requires to be submitted by an applicant or on an applicant’s behalf. **[See definition in 701; consistency?]**
5. “Back-up agreement” means a written arrangement between a certificate holder and a neighboring certificate holder for temporary coverage during limited times when the neighboring certificate holder’s ambulances are not available for service in its service area.
  - **Establish a “point” when local EMS should identify an alternative provider to transport.**
  - **Require CON holders to contract with EMS agencies to act as back-up and then allow for these providers to bill.**
  - **Add conditional CONs in rural areas.**
  - **Ensure secondary and tertiary back-up.**
  - **Establish a minimum coverage requirement.**
  - **Allow rural CONs without interfacility rights to re-patriate patients they brought to the ED.**
  - **Define/clarify a timely process to address life threatening concerns of community members within a CON, that will support the introduction of temporary emergency CON’s to work with existing CON providers until ADHS can determine resolution of the CON issues.**
6. “BLS base rate” means the monetary amount assessed to a patient according to A.R.S. § 36-2239(G).
7. “Certificate holder” means a person to whom the Department issues a certificate of

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necessity.

8. “Certificate of registration” means an authorization issued by the Department to a certificate holder to operate a ground ambulance vehicle.
9. “Change of ownership” means: **[Review for effect on publicly traded companies? See definition in 701]**
  - a. In the case of ownership by a sole proprietor, 20% or more interest or a beneficial interest is sold or transferred;
  - b. In the case of ownership by a partnership or a private corporation, 20% or more of the stock, interest, or beneficial interest is sold or transferred; or
  - c. The controlling influence changes to the extent that the management and control of the ground ambulance service is significantly altered.
10. “Charge” means the monetary amount assessed to a patient for disposable supplies, medical supplies, medication, and oxygen-related costs.
11. “Chassis” means the part of a ground ambulance vehicle consisting of all base components, including front and rear suspension, exhaust system, brakes, engine, engine hood or cover, transmission, front and rear axles, front fenders, drive train and shaft, fuel system, engine air intake and filter, accelerator pedal, steering wheel, tires, heating and cooling system, battery, and operating controls and instruments.
12. “Convalescent transport” means a scheduled transport other than an interfacility transport.
  - What calls are affected by response time requirements?
  - Interfacility does not accommodate emergency transportation needs. Urgent/non-urgent – all of these need definitions, convalescent too.
  - Add “critical care” and the staffing criteria necessary to care for critical patients in a transport. Add standards requiring ambulance companies to verify that ambulance staff on board are appropriately credentialed within their scope of practice to care for critical care patients.
13. “Dispatch” means the direction to a ground ambulance service or vehicle to respond to a call for EMS or transport. **UPDATE**
14. “Driver’s compartment” means the part of a ground ambulance vehicle that contains the controls and instruments for operation of the ground ambulance vehicle.
15. “Financial statements” means an applicant’s balance sheet, annual income statement, and annual cash flow statement.

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16. “Frame” means the structural foundation on which a ground ambulance vehicle chassis is constructed.
17. “General public rate” means the monetary amount assessed to a patient by a ground ambulance service for ALS, BLS, mileage, standby waiting, or according to a subscription service contract.
18. “Generally accepted accounting principles” means the conventions, and rules and procedures for accounting, including broad and specific guidelines, established by the Financial Accounting Standards Board. **UPDATE [See more general definition in R9-11-201:**  
**“Generally accepted accounting principles” means the set of financial reporting standards administered by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or other specialized bodies dealing with accounting and auditing matters.]**
19. “Goodwill” means the difference between the purchase price of a ground ambulance service and the fair market value of the ground ambulance service’s identifiable net assets.
20. “Gross revenue” means: **[Example/calculation rather than definition]**
  - a. The sum of revenues reported in the Ambulance Revenue and Cost Report **Exhibit A**, page 2, lines 1, 9, and 20; or **[Exhibit 9A]**
  - b. The sum of revenues reported in the Ambulance Revenue and Cost Report **Exhibit B**, page 3, lines 1, 24, 25, and 26. **[Exhibit 9B]**
21. “Ground ambulance service” means an ambulance service that operates on land. **[Company or service provided? See use throughout rules, including def of GAS contract, indirect costs, needs assessment, type of GAS. Used both ways in “level of service”]**
22. “Ground ambulance service contract” means a written agreement between a certificate holder and a person for the provision of **ground ambulance service**.
23. “Ground ambulance vehicle” means a motor vehicle, defined in A.R.S. § 28-101, specifically designed to transport ambulance attendants and patients on land.
24. “Indirect costs” means the cost of providing ground ambulance service that does not include the costs of equipment.
25. “Interfacility transport” means a scheduled transport between two health care institutions.
  - **Do not require interfacility arrival times.**

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- Definition of interfacility needs work.
  - Define/clarify what an arrival time is and how it should be measured to avoid data manipulation.
  - Interfacility does not accommodate emergency transportation needs. Urgent/non-urgent – all of these need definitions, convalescent too.
  - Establish Rules that clearly prescribe safe staffing standards for CON holders who provide interfacility transports to critical acute patients as well as a specific patient population (i.e. pediatrics). Also establish Rules imposing sanctions such as the loss of a CON to ambulance companies that do not comply with staffing standards.
  - Require the following data elements in the call log be collected by ADHS monthly from the raw CAD data: Run number, Date, Time Received, Response Code, Requested By, Requested Arrival Time, ETA Given, Service Level, Pick-Up Address, Time Dispatched, Time Available, Canceled Y/N, Canceled Reason, Turned Y/N, In CON Y/N, Time Enroute, Time Arrive, Facility Type, Destination Address, Destination Type and Transport Code. With these data elements, ADHS and the public will be able to analyze real usable information that will reveal how CON holders compare to one another. It will also provide info to the public.
26. “Level of service” means ALS or BLS ground ambulance service, including the type of ambulance attendants used by the ground ambulance service.
- Define “emergency calls”
  - Add community medicine
  - Add mental health service level
27. “Major defect” means a condition that exists on a ground ambulance vehicle **that requires the Department or the certificate holder to place the ground ambulance vehicle out-of-service.** **[Add something about not being safe, rather than what happens if a ground ambulance has one?]**
28. “Mileage rate” means the monetary amount assessed to a patient for each mile traveled from the point of patient pick-up to the patient’s destination point.
29. “Minor defect” means a condition that exists on a ground ambulance vehicle that is not a major defect. **[Definition would include no defect being present.]**
30. “Needs assessment” means a study or statistical analysis that examines **the need** for ground ambulance service within a service area or proposed service area that takes into account the current or proposed service area’s medical, fire, and police services.

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- Use a needs assessment to determine the need for services
31. “Out-of-service” means a ground ambulance vehicle cannot be operated to transport patients.
  32. “Patient compartment” means the ground ambulance vehicle body part that holds a patient.
  33. “Public necessity” means an identified population needs or requires all or part of the **services of a** ground ambulance service. **UPDATE**
  34. “Response code” means the priority assigned to a request for immediate dispatch by a ground ambulance service on the basis of the information available to the certificate holder or the certificate holder’s dispatch authority.
    - Certificate holders should report “lost calls” and report the reason (using pre-defined categories) the call could not be accommodated (e.g., emergency call required the interfacility ambulance to be re-assigned, ambulance did not have proper equipment, appropriate ambulance staff not available, patient condition deteriorated and required emergency transport services, ambulance not available to respond timely based on requesting facility needs, requestor called another ambulance provider to find a quicker response, etc.)
  35. “Response time” means the difference between the time a certificate holder is notified that a need exists for immediate dispatch and the time the certificate holder’s first ground ambulance vehicle arrives at the scene. Response time does not include the time required to identify the patient’s need, the scene, and the resources necessary to meet the patient’s need.
    - Establish response times for non-urgent calls as well.
    - Adopt national response time standards.
    - Define the various response time increments.
    - 90% of calls need to be within 20 minutes.
    - Response times should reflect a 9 minute response time for Code 3 responses and 20 minutes for Code 2 responses by ambulances.
    - Response times need to be within 15 minutes.
    - Require consistency in response time measurement.
    - Define the criteria to determine response times in CON’s. They all seem to be different. Define the response times of “All Ambulance Calls” & the Subsets of Response times of all ambulance calls that are being used in current CON’s. These include “emergency

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response times, otherwise, interfacility, and not applicable”.

- Change the definition of response time to calculate point-to-point response times using raw and quantifiable data collected by a third-party and require the incorporation of new and proven technologies for capturing arrival times without manual made-up input from the ambulance companies.
  - There should be a basis/standard based upon population density and geographics.
  - Require CONs to have a maximum response time threshold/cap (e.g., X minutes on 100% of all responses).
  - Require CONs to include response time criteria/tolerances for both lights-and-sirens responses and non-lights-and-sirens responses.
  - Merge response time factors from R9-25-902 and R9-25-906 into one comprehensive list.
  - Require a Department review/audit of CON holders’ response times, including allegations of inaccuracies in accordance with A.R.S. §36-2245.
  - Clarify reporting requirements for responses that are upgraded enroute (from non-lights-and-sirens to lights-and-sirens).
  - Reporting CON reports should be accomplished by the State, not a burden on the providers. If it is the regulatory agencies requirement, then they should find an avenue to collect the data.
36. “Response-time tolerance” means the percentage of actual response times for a response code and scene locality that are compliant with the response time approved by the Department for the response code and scene locality, for any 12-month period.
- Re-evaluate response time requirements q 2-5 years.
  - Use the 90th percentile as the measure.
37. “Rural area” means a geographic region with a population of less than 40,000 residents that is not a suburban area.
- Establish response time by a population measure.
  - Avoid creating “donuts” of coverage in the rural-super-rural/frontier areas.
  - The Rule does not clearly define the term “rural.” Simply, having a population number as a threshold does not delineate the complex boundaries considered in geography and populations, and the distance of urban clusters contained within otherwise “rural” areas. Therefore, we recommend that the term be redefined to provide clarity to its meaning and that the Director publish a map that clearly identifies the boundaries of each rural area and where it meets with an urban area.

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38. “Scene locality” means an urban, suburban, rural, or wilderness area.
- Establish response time by a population measure.
  - Response times in rural areas need to be the same as response times in urban areas.
  - Response times in urban areas should be faster than in rural areas.
  - CON response zones need to be smaller.
  - Boundaries for CONs should consider political subdivision boundaries.
  - Response area should be sized to meet a 15 minute response time, and no CON should be over 300 square miles.
  - Because CONs can be quite large, establish response zones.
39. “Scheduled transport” means to convey a patient at a prearranged time by a ground ambulance vehicle **for which an immediate dispatch and response is not necessary.**
- Interfacility does not accommodate emergency transportation needs. Urgent/non-urgent – all of these need definitions, convalescent too.
  - Certificate holders should track “requested arrival times” and report the response times that measure the time between requested arrival and actual arrival. This will help ADHS determine the urgency of calls that account for patient health and needs of the requestor (e.g., running low on bed capacity forces diverting patients because other patients are being held).
40. “Service area” means the geographical boundary designated in a certificate of necessity using the criteria in A.R.S. § 36-2233(E).
- Require CON boundaries to grow with PSD boundary changes
  - CONs should be broken into geographic planning zones (GPZ)
41. “Settlement” means the difference between the monetary amount Medicare establishes or AHCCCS pays as an allowable rate and the general public rate a ground ambulance service assesses a patient.
42. “Standby waiting rate” means the monetary amount assessed to a patient by a certificate holder when a ground ambulance vehicle is required to wait in excess of 15 minutes to load or unload the patient, unless the excess delay is **caused by** the ground ambulance vehicle or the ambulance attendants on the ground ambulance vehicle. **[Charged if EMCTs are working on a patient for more than 15 minutes? Spend more than 15 minutes assessing issue, providing immediate measures, and getting patient out to the vehicle from a 3-story apartment without an elevator??]**
- [#. “Suboperation station” means???**



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43. “Subscription service” means the provision of EMS or transport by a certificate holder to a group of individuals within the certificate holder’s service area and the allocation of annual costs among the group of individuals.
44. “Subscription service contract” means a written agreement for subscription service.
45. “Subscription service rate” means the monetary amount assessed to a person under a subscription service contract.
46. “Substandard performance” means a certificate holder’s:
- a. Noncompliance with A.R.S. Title 36, Chapter 21.1, Articles 1 and 2, or 9 A.A.C. 25, or the terms of the certificate holder’s certificate of necessity, including all decisions and orders issued by the Director to the certificate holder;
  - b. Failure to ensure that an ambulance attendant complies with A.R.S. Title 36, Chapter 21.1, Articles 1 and 2, or 9 A.A.C. 25, for the **level of ground ambulance service** provided by the certificate holder; or **[All of Chapter 25?]**
  - c. Failure to meet the requirements in 9 A.A.C. 25, Article 10. **[Not needed because included in (a) under noncompliance with 9 AAC 25]**
47. “Suburban area” means a geographic region within a 10-mile radius of an urban area that has a **population density equal to or greater than 1,000 residents per square mile.**  
**UPDATE [Clause modifies what? Geographic region or urban area?]**
48. “Third-party payor” means a person, other than a patient, who is financially responsible for the payment of a patient’s assessed general public rates and charges for EMS or transport provided to the patient by a ground ambulance service.
49. “Transfer” means:
- a. A change of ownership or type of business entity; or
  - b. To move a patient from a ground ambulance vehicle to an air ambulance.
50. “Transport” means the conveyance of one or more patients in a ground ambulance vehicle from the point of patient pick-up to the patient’s initial destination. **UPDATE**
51. “Type of ground ambulance service” means an interfacility transport, a convalescent transport, or a **transport that requires an immediate response.** **UPDATE [Do all EMS (9-1-1) calls require immediate response? From comments it may not be the practice.]**
52. “Urban area” means a geographic region delineated as an urbanized area by the United States Department of Commerce, Bureau of the Census. **UPDATE**
53. “Wilderness area” means a geographic region that has a population density of less than one resident per square mile. **UPDATE**

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**R9-25-901.5 Add a Quality Measures rule**

- Agencies should have a quality improvement process.
- Response times are contradictory to clinical standards (scene time for trauma patients, chest pain, etc.).
- Heart safe city requirements are out of synch with response time requirements.
- Add another evaluation factor beyond response time. Tiered system does not require rapid response always.
- Consideration should be taken when there is a Fire Service arriving first. Do you really need to be there in the prescribed CON time. The patient is receiving care.
- Use outcomes as a performance measure.
- Mandatory AZ-PIERS reporting.
- “Quality of care” to the patient. Quality of care delivered to a patient in an ambulance should be tracked and measured. It should be a priority and should be a condition of a CON renewal. Therefore, we recommend “quality of care” be added to the definitions as well as clear quality standards and metrics to be met by the ambulance companies; sanctions (such as the loss of their CON) should also be imposed by the Department for CON holders that do not comply with or meet quality standards.
- We also recommend that CON holders collect satisfaction data from patients and customers (e.g., health care institutions, etc.) through an ADHS-designed survey process whereby results are sent directly to ADHS. Survey questions should capture professionalism of crews, ease of scheduling the ambulance service, consistency in ambulances showing up at the time promised, likelihood of recommending this ambulance provider, and other relevant questions.
- ADHS should implement Quality Assurance Quality Improvement (QAQI) review programs. QAQI programs ensure that CON holders and their ambulance services are meeting quality standards. This could be done by a third-party vendor or delegated to approved accreditation agencies where appropriate.

**R9-25-902. Application for an Initial Certificate of Necessity; Provision of ALS Services; Transfer of a Certificate of Necessity (Authorized by A.R.S. §§ 36-2204, 36-2232, 36-2233(B), 36-2236(A) and (B), 36-2240)**

- A. An applicant for an initial certificate of necessity shall submit to the Department an application packet, **in a Department-provided format**, that includes:

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1. **An application form that contains The following information in a Department-provided format:**
  - a. The legal business or corporate name, **address**, telephone number, and facsimile number of the ground ambulance service; **[Physical or mailing address?]**  
**[And any other name, as in Article 7?]**
  - b. The name, title, address, e-mail address, and telephone number of the following:
    - i. Each applicant and individual responsible for managing the ground ambulance service;
    - ii. The **business representative** or **designated manager**; **[Individual acting according to 102?]**
    - iii. The individual to contact to access the ground ambulance service's records required in R9-25-910; and
    - iv. The statutory agent for the ground ambulance service, if applicable;
  - c. The name, address, and telephone number of **the base hospital** or centralized medical direction communications center for the ground ambulance service;  
**[ALS base hospital? Also "If applicable"? Admin and online med direction do not need to be provided by one of these.**  
**Make more general – name, address, professional license number, and telephone number of the physician providing administrative medical direction? For on-line medical direction, physician or base hospital/CMDCC/group practice?]**  
**[The name, title, address, e-mail address, and telephone number of the individual acting on behalf of the applicant according to R9-25-102??]**
  - d. The address and telephone number of the ground ambulance service's **dispatch center**;
  - e. The address and telephone number of each suboperation station located within the proposed service area;
  - f. **Whether the ground ambulance service is a corporation, partnership, sole proprietorship, limited liability corporation, or other; [Type of business organization?]**
  - g. **Whether the business entity** is proprietary, non-profit, or governmental;
  - h. A description of the communication equipment to be used in each ground ambulance vehicle and suboperation station;
  - i. The make and year of each ground ambulance vehicle to be used by the ground

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ambulance service;

j. The number of ambulance attendants and the type of licensure, certification, or registration for each attendant;

k. The proposed hours of operation for the ground ambulance service;

l. The type of ground ambulance service;

m. The level of ground ambulance service; [Substitute defined term “level of service”?]

- All 9-1-1 calls need to be responded by an ALS provider.
- One paramedic per unit for 9-1-1.
- Given its CON standards of coverage and emergency deployment objectives, the agency should meet its staffing obligation for the safety of the community, patients, and employees. Employee hour studies should be required to make sure no employee works a predetermined amount of consecutive hours to reduce fatigue and increase safety of all stakeholders.
- Given its CON standards of coverage and emergency deployment objectives, the agency should provide adequate station(s) locations to reduce the condition of posting a medical unit in a parking lot or on a corner reducing arbitrary unit road time, unit exposure to the elements, wear and tear, and provide designated reasonably located facilities for workers to maintain wellbeing.

n. Acknowledgment that the applicant: [Attestation?]

i. Is requesting to operate ground ambulance vehicles and a ground ambulance service in this state; [Why needed???

ii. Has received a copy of 9 A.A.C. 25 and A.R.S. Title 36, Chapter 21.1; and [Why needed???

iii. Will comply with the Department’s statutes and rules in any matter relating to or affecting the ground ambulance service;

#. Whether the applicant agrees to allow the Department to submit supplemental requests for information under R9-25-1201(C)(3);

o. A statement that any information or documents submitted to the Department are true and correct; and [Attestation?]

p. The signature of the applicant or the applicant’s designated representative and the date signed;

2. The following information:

a. Where the ground ambulance vehicles in subsection (A)(1)(i) are located within

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- the applicant's proposed service area;
- b. A statement of the proposed general public rates;
- c. A statement of the proposed charges;
- d. The applicant's proposed response times, response codes, and response-time tolerances for each scene locality in the proposed service area, based on the following:
  - i. The population demographics within the proposed service area;
  - ii. The square miles within the proposed service area;
  - iii. The medical needs of the population within the proposed service area;
  - iv. The number of anticipated requests for each **type and level of ground ambulance service** in the proposed service area;
  - v. The available routes of travel within the proposed service area;
  - vi. The geographic features and environmental conditions within the proposed service area; and
  - vii. The available medical and emergency medical resources within the proposed service area;
- e. A plan to provide temporary ground ambulance service to the proposed service area for a limited time when the applicant is unable to provide ground ambulance service to the proposed service area;
- f. Whether a ground ambulance service currently operates in all or part of the proposed service area and if so, where; and
- g. Whether an applicant or a designated manager:
  - i. Has ever been convicted of a felony or a misdemeanor involving moral turpitude,
  - ii. Has ever had a license or certificate of necessity for a ground ambulance service suspended or revoked by any state or political subdivision, or
  - iii. Has ever operated a ground ambulance service without the required certification or licensure in this or any other state;
- 3. The following documents:
  - a. A description of the proposed service area by any method specified in A.R.S. § 36-2233(E) and a map that illustrates the proposed service area;

**[Organizational documents, such as articles of incorporation?]**

**[Application in 1001 for initial ambulance certificate?]**

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**[Documentation to comply with ARS 41-1080]**

b. A projected Ambulance Revenue and Cost Report; **[As justification of rates and charges?**

**[Need documentation justifying response times, response codes, and response-time tolerances for each scene locality in the proposed service area?]**

- Define/clarify “sufficient financial strength” and “volume of business” as measurable metrics.

c. **The financing agreement for all capital acquisitions exceeding \$5,000; [Use wording that is consistent with wording in R9-25-1101(A)(5) or R9-25-1102(B)(9)?]**

d. The source and amount of funding for cash flow from the date the ground ambulance service commences operation until the date cash flow covers monthly expenses;

e. Any proposed ground ambulance service contract under A.R.S. §§ 36-2232(A)(1) and 36-2234(K);

f. The information and documents specified in R9-25-1101, if the applicant is requesting to establish general public rates;

**[Info on or list of items to charge patients, as in 1109?]**

g. Any subscription service contract under A.R.S. §§ 36-2232(A)(1) and 36-2237(B);

h. A certificate of insurance or documentation of self-insurance required in A.R.S. § 36-2237(A) and R9-25-909;

i. A surety bond if required under A.R.S. § 36-2237(B); and

j. The applicant’s and designated manager’s resume or other description of experience and qualification to operate a ground ambulance service; and

**[Submission of fees? Move from (D) to here?]**

- Translate GD-099-PHS-EMS: Certificates of necessity for ambulance service into A.C.C. rules.

- Define/clarify “Directors Evaluation of an Ambulance Process” to ensure that all CON decisions are supported by A.C.C. rules.

4. Any documents, exhibits, or statements that may assist the Director in evaluating the application or any other information or documents needed by the Director to clarify incomplete or ambiguous information or documents.

**B.** Before an applicant provides ALS, the applicant shall submit to the Department the application

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packet required in subsection (A) and the following:

1. A current written contract for ALS medical direction; and
2. Proof of **professional liability insurance** for ALS personnel required in R9-25-909(A)(1)(b). **[703(B)(6) calls it “malpractice insurance coverage”; we should be consistent in terminology.]**

C. When requesting a transfer of a certificate of necessity:

1. The **person wanting to transfer the certificate of necessity** shall submit a letter to the Department that contains: **[Is this the current certificate holder?]**
  - a. A request that the certificate of necessity be transferred, and
  - b. The name of the person to whom the certificate of necessity is to be transferred; and
2. The person identified in subsection (C)(1)(b) shall submit:
  - a. The application packet in subsection (A); and
  - b. The information in subsection (B), if ALS is provided.

D. **An applicant shall submit the following fees: [Move fees into (A). Fee for ambulance as in 36-2240(3)?]**

1. \$100 application filing fee for an initial certificate of necessity, or
2. \$50 application filing fee for a transfer of a certificate of necessity.

E. The Department shall approve or deny an application under this Section according to 9 A.A.C. 25, Article 12. **[Also refer to 903??]**

### **R9-25-903. Determining Public Necessity (Authorized by A.R.S. § 36-2233(B)(2))**

A. In determining public necessity for an initial or amended certificate of necessity, the Director shall consider the following: **[Reference ARS 36-2233?]**

1. The response times, response codes, and response-time tolerances proposed by the applicant for the service area;
  - **Allow jurisdictions to set response times.**
  - **Establish response time by a population measure.**
  - **Re-evaluate response time requirements q 2-5 years.**
  - **Elected and appointed individuals should have input into CONs.**
  - **Allow the Director to determine need.**
2. The **population demographics** within the proposed service area; **[Define?]**
  - **Population should drive the number of ambulances in a given area.**

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**STAKEHOLDER COMMENTS INCLUDED IN DARK RED TEXT!!**

**ADHS COMMENTS/QUESTIONS HIGHLIGHTED IN BLUE**

3. The geographic distribution of health care institutions within and surrounding the service area;
  4. Whether issuing a certificate of necessity to more than one ambulance service within the same service area is in the public's best interest, based on:
    - a. The existence of ground ambulance service to all or part of the service area;
    - b. The response times of and response-time tolerances for ground ambulance service to all or part of the service area; **UPDATE**
    - c. The availability of certificate holders in all or part of the service area; and
    - d. The availability of emergency medical services in all or part of the service area; **UPDATE**
  5. The information in R9-25-902(A)(1) and (A)(2); and
  6. Other matters determined by the Director or the applicant to be relevant to the determination of public necessity. **UPDATE**
- B.** In deciding whether to issue a certificate of necessity to more than one ground ambulance service for convalescent or interfacility transport for the same service area or overlapping service areas, the Director shall consider the following:
1. The factors in subsections (A)(2), (A)(3), (A)(4)(a), (A)(4)(c), (A)(4)(d), (A)(5), and (A)(6);
  2. The financial impact on certificate holders whose service area includes all or part of the service area in the requested certificate of necessity;
  3. The need for additional convalescent or interfacility transport; and
  4. Whether a certificate holder for the service area has demonstrated substandard performance.
- C.** In deciding whether to issue a certificate of necessity to more than one ground ambulance service for a 9-1-1 or similarly dispatched transport within the same service area or overlapping service areas, the Director shall consider the following: **UPDATE**
1. The factors in subsections (A), (B)(2), and (B)(4);
  2. The difference between the response times in the service area and proposed response times by the applicant;
  3. A needs assessment adopted by a political subdivision, if any; and **UPDATE**
  4. A needs assessment, referenced in A.R.S. § 36-2210, adopted by a local emergency medical services coordinating system, if any.



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**R9-25-904. Application for Renewal of a Certificate of Necessity (Authorized by A.R.S. §§ 36-2233, 36-2235, 36-2240)**

A. An applicant for a renewal of a certificate of necessity shall submit to the Department, not less than 60 days before the expiration date of the certificate of necessity, an application packet that includes:

1. An application form that contains the information in R9-25-902(A)(1)(a) through (A)(1)(m) and the signature of the applicant;

**[Add that info is true and correct? Add supplemental requests?]**

2. Proof of continuous insurance coverage or a statement of continuing self-insurance, including a copy of the current certificate of insurance or current statement of self-insurance required in R9-25-909; **[Not only the automobile liability insurance and professional liability insurance but also the professional liability insurance for ALS personnel, if applicable, as in R9-25-902(B)(2)?]**

3. Proof of continued coverage by a surety bond if required under A.R.S. §§ 36-2237(B);

4. A copy of the list of current charges required in R9-25-1109;

**[For each ground ambulance vehicle operated, either a copy of certificate of registration or application for registration?]**

5. An affirmation that the certificate holder has and is continuing to meet the conditions of the certificate of necessity, including assessing only those rates and charges approved and set by the Director; and **UPDATE**

6. \$50 application filing fee.

**B.** A certificate holder who fails to file a timely application for renewal of the certificate of necessity according to A.R.S. § 36-2235 and this Section, shall cease operations at 12:01 a.m. on the date the certificate of necessity expires.

**[Make clearer that the Department is not issuing an approval to commence operations but is considering an application for an initial application.]**

**C.** To commence operations after failing to file a timely renewal application, a person shall file an initial certificate of necessity application according to R9-25-902 and meet all the requirements for an initial certificate of necessity.

**D.** The Department shall approve or deny an application under this Section according to 9 A.A.C. 25, Article 12.

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**R9-25-905. Application for Amendment of a Certificate of Necessity (Authorized by A.R.S. §§ 36-2232(A)(4), 36-2240)**

A. A certificate holder that wants to amend its certificate of necessity shall submit to the Department the application form in R9-25-902(A)(1) and an application filing fee of \$50 for changes in:

1. The legal name of **the ground ambulance service; [company]**
2. The legal address of **the ground ambulance service; [company]**
3. The **level** of **ground ambulance service; [services]**
4. The type of **ground ambulance service; [services]**
5. The service area; or
6. The response times, response codes, or response-time tolerances.

**[Change in location of suboperation station?]**

**[Change in business organization?]**

**[Change in rates? Cite to Article 11?]**

**[Tailor the info to be submitted to the type of amendment? For example:**

- **A change in the legal name of the certificate holder could be supported by documentation of the name change by the Corporation Commission, to distinguish it from a change in ownership, and may require the submission of new documentation of insurance if the required insurance had been issued under the name being changed, but not other info now required.**
- **A change in address may not require a description of the communication equipment being used, the make and year of each ground ambulance vehicle, or the number of ambulance attendants, currently required as elements of R9-25-902(A)(1).**
- **A request to change response times could be supported by not only the proposed response times, response codes, and response-time tolerances currently required, but also by an analysis of actual response times compared with the response times associated with the certificate of necessity. Other currently required information may not be needed.]**

B. In addition to the application form in subsection (A), an amending certificate holder shall submit:

- **Simplify the CON geographic amendment process.**
  1. For the addition of ALS ground ambulance service, the information required in R9-25-902(B)(1) and (B)(2).
  2. For a change in the service area, the information required in R9-25-902(A)(3)(a);
  3. For a change in response times, the information required in subsection R9-25-

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902(A)(2)(d); **UPDATE**

4. A statement explaining the financial impact and impact on patient care anticipated by the proposed amendment;
5. Any other information or documents requested by the Director to clarify incomplete or ambiguous information or documents; and **UPDATE**
6. Any documents, exhibits, or statements that the amending certificate holder wishes to submit to assist the Director in evaluating the proposed amendment. **UPDATE**

**[Should there be a way to amend a special provision?]**

- C. The Department shall approve or deny an application under this Section according to 9 A.A.C. 25, Article 12.

**R9-25-906. Determining Response Times, Response Codes, and Response-Time Tolerances for Certificates of Necessity and Provision of ALS Services (Authorized by A.R.S. §§ 36-2232, 36-2233)**

In determining response times, response codes, and response-time tolerances for all or part of a service area, the Director may consider the following: **[Reference or include factors in ARS 36-2232(G)?]**

1. Differences in scene locality, if applicable; **UPDATE**
2. Requirements of a 9-1-1 or similar dispatch system for all or part of the service area;
  - Adopt other standards like NFPA
  - Require standardized response time reporting
  - PSAPS must share accurate dispatch data
3. Requirements in a contract approved by the Department between a ground ambulance service and a political subdivision; **UPDATE**
4. Medical prioritization for the dispatch of a ground ambulance vehicle according to procedures established by the certificate holder's **medical direction authority**; and **UPDATE [See new 1006 (E)]**
5. Other matters determined by the Director to be relevant to the measurement of response times, response codes, and response-time tolerances. **UPDATE**

**R9-25-907. Observance of Service Area; Exceptions (Authorized by A.R.S. § 36-2232)**

**[Incorporate information from SPSs?]**

A certificate holder shall not provide EMS or transport within an area other than the service area identified in the certificate holder's certificate of necessity except:

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1. When authorized by a service area's dispatch, before the service area's ground ambulance vehicle arrives at the scene; or
2. According to a back-up agreement.
  - **Allow for GIS informed closest most appropriate unit dispatch for contiguous CONs.**

**[Are there other conditions in which the CON holder should or may be ethically bound to provide EMS outside the service area?]**

**[Need a Section on changes/termination? Describe what the Department does under 36-2247 if a CON holder wants to cease operations and not transfer the CON?]**

**[What happens? What does the Department do about the ambulances registered to a CON holder who is planning to cease operations or transfer the CON?]**

**[Need Section on Operations – and put requirements from current 1004 and some of the requirements from the following Sections into it?]**

**R9-25-908. Transport Requirements; Exceptions (Authorized by A.R.S. §§ 36-2224, 36-2232)**

A certificate holder shall transport a patient except: **[Only EMS transport or any type of transport?]**

1. As limited by A.R.S. § 36-2224;
2. If the patient is in a health care institution and the patient's medical condition requires a level of care or monitoring during transport that exceeds the scope of practice of the ambulance attendants' certification;
3. If the transport may result in an immediate threat to the ambulance attendant's safety, as determined by the ambulance attendant, certificate holder, or **medical direction authority**;
4. If the patient is more than 17 years old and refuses to be transported; or
5. If the patient is in a health care institution and does not meet the federal requirements for medically necessary ground vehicle ambulance transport as identified in 42 CFR 410.40.

**[No provision for patient choice, as in ARS 36-2205(E) and 504(B)?]**

- **Add destination choices.**

**R9-25-1004. Minimum Staffing Requirements for Ground Ambulance Vehicles (Authorized by A.R.S. §§ 36-2201(4), 36-2202(A)(5)) Repealed [Moved to Article 9]**

When transporting a patient, a ground ambulance service shall staff a ground ambulance vehicle according to A.R.S. § 36-2202(J). **[We got a comment that this wording is not clear and we should set**

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**minimums. However, discrepancies between rural and not rural are in statutes, so 36-2202 should stay as a reference.]**

A. An applicant for a certificate of registration or certificate holder shall ensure that, if a ground ambulance vehicle is marked with a level of ground ambulance service, the ground ambulance vehicle is staffed to provide the level of ground ambulance service identified.

**R9-25-909. Certificate of Insurance or Self-Insurance (Authorized by A.R.S. §§ 36-2232, 36-2233, 36-2237)**

A. A certificate holder shall:

1. Maintain with an insurance company authorized to transact business in this state:

a. A minimum single occurrence automobile liability insurance coverage of \$500,000 for ground ambulance vehicles; and **[Sufficient \$?]**

b. A minimum single occurrence malpractice or professional liability insurance coverage of \$500,000; or **[Sufficient \$? Liability for company or for ALS personnel?]**

2. Be self-insured for the amounts in subsection (A)(1).

B. A certificate holder shall submit to the Department: **[Duplicates 902(A)(3)(h) and 904(A)(2)]**

1. A copy of the certificate of insurance; or

2. Documentation of self-insurance.

C. A certificate holder shall submit a copy of the certificate of insurance to the Department no later than five days after the date of issuance of:

1. A renewal of the insurance policy; or

2. A change in insurance coverage or insurance company.

**R9-25-910. Record and Reporting Requirements (Authorized by A.R.S. §§ 36-2232, 36-2241, 36-2246) **[Review as part of the Cost Reports portion of the rulemaking?]****

A. A certificate holder shall submit to the Department, no later than 180 days after the certificate holder's fiscal year end, the appropriate Ambulance Revenue and Cost Report.

- There are two ARCR standards, one for private and one for public.
- Improve the quality of ARCRs.
- ARCR autofill.
- Different ARCR for Govt. systems.
- Require audits of ARCRs.

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- Re-evaluate what data is needed for ARCR.
- For ARCR reporting, indirect/shared cost allocations are easily misinterpreted (especially for providers with other lines of business). Consider adding a summary of direct operating revenues and expenses to the income statement to help resolve this.
- All operational expenses should be included on the ARCR. Many CON holders do not include all costs associated with dispatch and other support services. This provides inaccurately low cost reports and makes efficiency bench marking impossible. Standard corporate allocation methodologies should be set by the state.
- Add a summary of direct operating revenues and expenses to the income statement to resolve indirect/shared cost allocations.
- The current structure of the ARCR does not accurately reflect the costs for fire-based ambulance providers. There direct cost of services should be the primary factor since many of the reported indirect costs are fixed the public provider regardless of providing transportation services.

**B.** According to A.R.S. § 36-2241, a certificate holder shall maintain the following records for the Department's review and inspection: **[For how long? Be consistent with ARS 36-2241.]**

1. The certificate holder's financial statements;
2. All federal and state income tax records;
3. All employee-related expense reports and payroll records;
4. All bank statements and documents verifying reconciliation;
5. All documents establishing the depreciation of assets, such as schedules or accounting records on ground ambulance vehicles, equipment, office furniture, and other plant and equipment assets subject to depreciation;
6. All first care forms required in **R9-25-514 and R9-25-615**; **UPDATE** **[No longer in existence. Are these prehospital incident history reports?]**

7. All patient billing and reimbursement records;

**[Records of source(s) of administrative medical direction? On-line medical direction?]**

8. All dispatch records, including the following: **UPDATE**
  - a. The name of the ground ambulance service;
  - b. The month of the record;
  - c. The date of each transport;
  - d. The number assigned to the ground ambulance vehicle by the certificate holder;
  - e. Names of the ambulance attendants;
  - f. The scene;

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- g. The actual response time;
- h. The response code;
- i. The scene locality;
- j. Whether the scene to which the ground ambulance vehicle is dispatched is outside of the certificate holder's service area; and
- k. Whether the dispatch is a scheduled transport;
  - Standardize response time measurement. ADHS should audit response time reports.
  - Data collection should be "public records".
  - ADHS to review standardized reporting q month.
  - Monthly data reporting to ADHS, standardized measurements.
  - PSAP requirements to provide dispatching information to ADHS.
  - Use independent, 3rd party to collect data.
  - Require reporting of outlier response times.
  - Require use of local dispatch organization.
  - Centralized (ADHS) response time data system. Make it publicly available.
  - Required PSAP reporting of all call times – quarterly.
  - Quarterly response time measurement, probation with corrective action; if continued performance issues, open up for new CONs.
- 9. All ground ambulance service back-up agreements, contracts, grants, and financial assistance records related to ground ambulance vehicles, EMS, and transport;
- 10. All written ground ambulance service complaints; and
- 11. Information about destroyed or otherwise irretrievable records in a file including:
  - a. A list of each record destroyed or otherwise irretrievable;
  - b. A description of the circumstances under which each record became destroyed or otherwise irretrievable; and
  - c. The date each record was destroyed or became otherwise irretrievable.

**R9-25-911. Ground Ambulance Service Advertising (Authorized by A.R.S. § 36-2232)**

- A. A certificate holder shall not advertise that it provides a **type or level of ground ambulance** service or operates in a service area different from that granted in the certificate of necessity. **[Use defined terms "type of ground ambulance service" and "level of service"]**
- B. When advertising, a certificate holder shall not direct the circumvention of the use of 9-1-1 or another similarly designated emergency telephone number.

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**R9-25-912. Disciplinary Action (Authorized by A.R.S. §§ 36-2244, 36-2245) [Enforcement Actions? Need to use consistent term as in 207, 307, 409, and 709.]**

**[Structure to be similar to 709? Include corrective action plan?]**

A. After notice and opportunity to be heard is given according to the procedures in A.R.S. Title 41, Chapter 6, Article 10, a certificate of necessity may be suspended, revoked, or other disciplinary action taken for the following reasons: **[Add requirements related to revoking/suspending the certificate for a ground ambulance?]** **[Change from passive language.]**

- **Publish the results of an investigation**

**[Add immediate suspension allowed under A.R.S. §§ 36-2234(L) and 41-1092.11(B)?]**

1. The certificate holder has:
  - a. Demonstrated substandard performance; or **[Duplicates (A)(3)(a)?]**
  - b. Been determined not to be fit and proper by the Director;
2. The certificate holder has provided false information or documents:
  - a. On an application for a certificate of necessity; **[Or for renewal or amendment?]**
  - b. Regarding any matter relating to its ground ambulance vehicles or ground ambulance service; or
  - c. To a patient, third-party payor, or other person billed for service; or
3. The certificate holder has failed to:
  - a. Comply with the applicable requirements of A.R.S. Title 36, Chapter 21.1, Articles 1 and 2 or 9 A.A.C. 25; or **[Definition of “substandard performance”?]**
  - b. Comply with any term of its certificate of necessity or any rates and charges schedule filed by the certificate holder and approved by the Department.

B. In determining the type of disciplinary action to impose under A.R.S. § 36-2245, the Director shall consider:

1. The severity of the violation relative to public health and safety;
2. The number of violations relative to the annual transport volume of the certificate holder;
3. The nature and circumstances of the violation;
4. Whether the violation was corrected, the manner of correction, and the time-frame involved; and **[The duration of each violation?]**
5. The impact of the penalty or assessment on the provision of ground ambulance service in the certificate holder’s service area.