

Franklin Consulting

House Bill 2609 ambulance Services; service areas

Problem

The Certificate of Necessity (CON) system is broken. The system was designed initially to ensure patient safety through the CON application process but has become a barrier to entry for competitors to make application. Arizona is one of the only two remaining states in the country to regulate CON license applications in this way.

Citizens expect to call for emergency transport and be transported to definitive care within a reasonable time. Not hours, nor in a personal vehicle or emergency vehicles not designed for patient transport. They care about receiving timely and proper transport and medical treatment.

Background

The CON process was initially set up in order to protect the public, but it no longer functions to ensure that adequate services are provided to all Arizona communities. Through excessive regulation, a distinct lack of transparency, and little-to-no built-in oversight, the current statute is a roadblock to competition, and therefore a roadblock to consumers receiving the ambulance services they deserve.

The 1999 Arizona Auditor General's Performance Audit of Emergency Medical Services concluded that oversight is lacking and there are not sufficient procedures in place to monitor and assess response times and response time reporting. The Bureau of EMS reviews CONs every three years, but that review does not have to ensure that response standards meet population growth, geographic expansion, or development.

The CON process allows ambulance response performance to be self-reported annually without oversight or auditing to ensure accurate reporting, and reports do not have to follow governmental accounting standards. This bill will work to ensure transparency regarding response time data and financials. Taxpayers care about transparency.

There are communities in Arizona that are covered solely by one single CON-holder, oftentimes a private company. The CON process allows for this current CON-holder to intervene in another ambulance provider's bid for permission to operate, lengthening the already prolonged application process. If a community is suffering due to a lack of ambulances and the applicant can prove need, the current CON-holder should not be allowed to extend the process, oftentimes years, especially if that CON-holder is the problem. This serves as a roadblock to competition and interferes with the health and well-being of your constituents.

Current statute does not allow concerned agencies (Fire, Police, Hospitals) without a CON a voice in the CON process. Taxpayers may express concern to a local agency in the hopes of receiving some relief, but that county, municipal government, fire service, or anyone without a CON cannot share those concerns as part of the current CON process. The bill clearly defines interested parties, thereby

allowing those that are served by an ambulance service to have input regarding service levels and response times.

Currently, only a CON-holder may request emergency authority to operate ambulances in an underserved area, which limits those that can help in times of need. This bill authorizes the Department of Health Services to grant a current ambulance provider, fire department, fire district, or fire authority temporary authority to operate in an underserved area.

The truth is that your constituents want to be able to call 9-1-1 in an emergency and have competent, well-trained ambulance staff at their side in a reasonable amount of time. They don't care if it is a private company or a public entity.

As it stands, the process prevents taxpayers from receiving life-saving medical transport. Arizona is one of only two states still using a CON process. It is well past time for Arizona communities to benefit from necessary ambulance reform.

The Solution

HB2609 will clear some of the unnecessary hurdles to streamline the process by:

The bill clearly defines interested parties, thereby allowing those that are served by an ambulance service to have input regarding service levels and response times.

In the current statute, response performance is self-reported annually without oversight or auditing to ensure the reports are accurate. **The bill** requires reporting to be reviewed to ensure honest and accurate reporting.

In the current statute, expansion of CON boundaries to match jurisdictional boundaries as an area grows is unclear. **The bill** clarifies that CON boundaries expand to meet jurisdictional boundaries as the jurisdiction grows.

The bill requires the Bureau of EMS to sit with the provider at each three-year renewal to review and possibly update response times based on, at minimum, population density, geographic, and medical considerations.

The bill would require DHS to develop a form that follows governmental accounting standards for governmental agencies who operate transport ambulances.

The current statute states that DHS is to regulate ambulance services to "provide for a viable business environment." **The bill** changes the language to state that DHS will regulate ambulance services maintaining patient care as the priority.

The bill provides for the free market to function while maintaining/implementing checks and balances. It does not create new regulation.

For more information or questions, please contact Jim Norton 602-694-4903 or Matt Fioretti at 480-766-1553.