Arizona Department of Health Services

Performance Audit of Ground Ambulance Regulation

Department has not effectively regulated certificate holder response times, processed some certificate applications within 180 days, or processed some complaints within statutory time frames; therefore, System effectiveness cannot be determined, and public health may be at risk

Audit purpose

To assess whether the Department used certificate of necessity (certificate) holder ambulance response times to determine whether State needs were met, whether the Department issued certificates and investigated complaints in accordance with statutory time frames, and how Arizona's certificate system compares to 5 other states.[1]

What we found

- Department is statutorily responsible for regulating ground ambulance services in Arizona, including issuing certificates to qualified ground ambulance service providers for specific areas in the State, overseeing certificate holders' compliance with response time requirements, and investigating customer complaints against certificate holders.[2] Within the report, we include a list of all 105 certificate holders as of June 2026.

- Department did not appropriately oversee certificate holders' compliance with response times requirements, risking public health and limiting its and our ability to assess the effectiveness of certificate statutory and rule regulations, including:
  - Not ensuring it reviewed complete and accurate response time data.
  - Not consistently establishing both emergent and nonemergent response time requirements for certificate holders.
  - Approving corrective actions that appeared inconsistent for certificate holders with similar self-reported violations of noncompliance without documenting its justification for doing so.
  - Not ensuring corrective actions resolved response time noncompliance.
  - Taking inconsistent renewal actions for some certificate holders with continued noncompliance without documenting its justification for doing so.

- Department failed to approve or deny 4 of 6 initial certificate applications it received in fiscal year 2025 within 180 days, as required by statute, potentially delaying public need being met.

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1 The Arizona Auditor General conducted this performance audit of the Department pursuant to a December 10, 2024, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq.

2 The Department receives complaints from customers and noncustomers, but statute does not define customer or noncustomer. The Department defined a customer as an entity that receives services from a certificate holder and our review found that noncustomers include individuals or entities that did not receive services from a certificate holder.

- Department took between 2 and 125 days to notify certificate holders of complaints against them, exceeding the statutory notification requirement for 3 customer complaints.

- Statute requires certificate holders to have a GPS-monitoring device in each vehicle to record response times and requires the Department to provide a GPS waiver to any certificate holder if it can reasonably demonstrate it is unable to meet the statutory requirement. Department approved all 32 applications for GPS waivers it received in fiscal year 2025 but does not have policies and procedures for approving or denying a GPS-waiver application.

- Statute allows any certificate holder with an overlapping service area (intervenor) or an applicant to appeal the Department director's application decisions for a hearing with an Office of Administrative Hearings (OAH) administrative law judge. Intervenors requested a hearing with OAH for 7 of 13 initial or amendment applications between fiscal years 2021 and 2025. All 7 applications had at least 1 intervenor that was a subsidiary of a single certificate holder, American Medical Response.

- Arizona has some similarities and differences in its ground ambulance regulation compared to 5 other states we reviewed, including:[3]
  - Similar to Arizona, 1 other state also regulates ground ambulances at the state level, compared to 2 that regulate ground ambulances at the county level and 2 that have a mixture of state, county, and local regulation.
  - Similar to Arizona, 3 other states also require a demonstrated need for the proposed ground ambulance services, but 2 states do not.
  - Similar to Arizona, 1 other state also allows other ground ambulance services to intervene and oppose an application or decision, but 4 states do not.

- The report also includes information on the advantages and disadvantages of various approaches for regulating ground ambulances.

Key recommendations to the Department

- Review and assess complete and accurate response time data from certificate holders.

- Establish emergent and nonemergent response time requirements for all certificate holders and hold certificate holders accountable to these requirements.

- Ensure actions for certificate holders with similar violations for response time noncompliance are consistent or document its reasons for deviation.

- Ensure corrective and enforcement actions for certificate holders result in compliance with response time requirements or, as needed, take additional action(s).

- Approve or deny all certificate-of-necessity initial applications within 180 days.

- Notify certificate holders of customer complaints received and request documentation from certificate holders within 15 days of receiving the complaint.

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[3] We reviewed ground ambulance regulation for California, Florida, New Mexico, North Carolina, and Washington.