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Performance Audit

Arizona Department of Health Services

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



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Lindsey A. Perry
Auditor General

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ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

November 18, 2026

Members of the Arizona State Legislature

The Honorable Katie Hobbs, Governor

Director Johnston
Arizona Department of Health Services

Transmitted herewith is a report of the Auditor General, *A Performance Audit of the Arizona Department of Health Services—Ground Ambulance Regulation*. This report is in response to a December 10, 2024, resolution of the Joint Legislative Audit Committee. The performance audit was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq. I am also transmitting within this report a copy of the Report Highlights to provide a quick summary for your convenience.

As outlined in its response, the Arizona Department of Health Services (Department) agrees with all the findings and plans to implement or implement in a different manner all the recommendations. My Office will follow up with the Department in 6 months to assess its progress in implementing the recommendations. I express my appreciation to Director Johnston and Department staff for their cooperation and assistance throughout the audit.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

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.

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- Department has 18 total staff positions, including 1 filled assistant director position, 8 filled Bureau positions, and 9 vacant Bureau positions, responsible for overseeing the System

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Department has not effectively regulated certificate holder response times to ensure public needs are met across the State, as required by statute; therefore, System effectiveness cannot be determined, and public health may be at risk

- Department did not appropriately oversee response times to determine the performance of and necessity for ground ambulance services and thus cannot ensure public needs are being met across the State, risking public health and limiting the Department's and our ability to assess System effectiveness
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INTRODUCTION

The Arizona Auditor General has released the first in a series of audit reports of the Arizona Department of Health Services (Department) as part of the Department's sunset review. This performance audit assessed whether the Department used certificate of necessity (certificate) holder response times in fiscal year 2025 to determine whether ambulance service needs were being met across the State and whether the Department issued certificates and investigated complaints against certificate holders in fiscal year 2025 in accordance with statutory time frames. Finally, this report provides information on our 1999 audit findings and the status of recommendations made in our 1999 report as of May 2026, and how Arizona's certificate of necessity statutory and rule regulations (System) compare to how other states regulate ambulance services.

Effective 1983, the Department regulates ground ambulance services in Arizona through its Bureau of Emergency Medical Services and Trauma System

The Department has been statutorily responsible for regulating ground ambulance services in Arizona since 1983, and statute establishes the Bureau of Emergency Medical Services and Trauma System (Bureau) within the Department for this purpose (see pages 7 through 9 for more information on System changes since 1983).[1,2,3,4] The System is intended to ensure ground ambulance coverage throughout the State and to provide assurance of quality services by limiting ground ambulance services in the State to qualified certificate holders with defined service areas.[5] As of June 2026, 105 certificate holders provided ground ambulance services in the State, which include municipalities, fire districts, hospitals, for-profit businesses, and nonprofit businesses (see Figure 1, page 2, for a map of State coverage by certificate holders and Appendix A, pages a-1 through a-15, for additional details on each certificate holder, including their public or private status, the number of ground ambulances, any affiliated organization, and financial information).[6]

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1 Laws 1983, Ch. 324.

2 Arizona Revised Statutes (A.R.S.) §36-2201(5)(a) defines an ambulance as any publicly or privately owned surface, water, or air vehicle that contains a stretcher and necessary medical equipment and supplies.

3 A.R.S. §36-2208 establishes the Bureau. The Bureau is within the Department's Division of Public Health Preparedness.

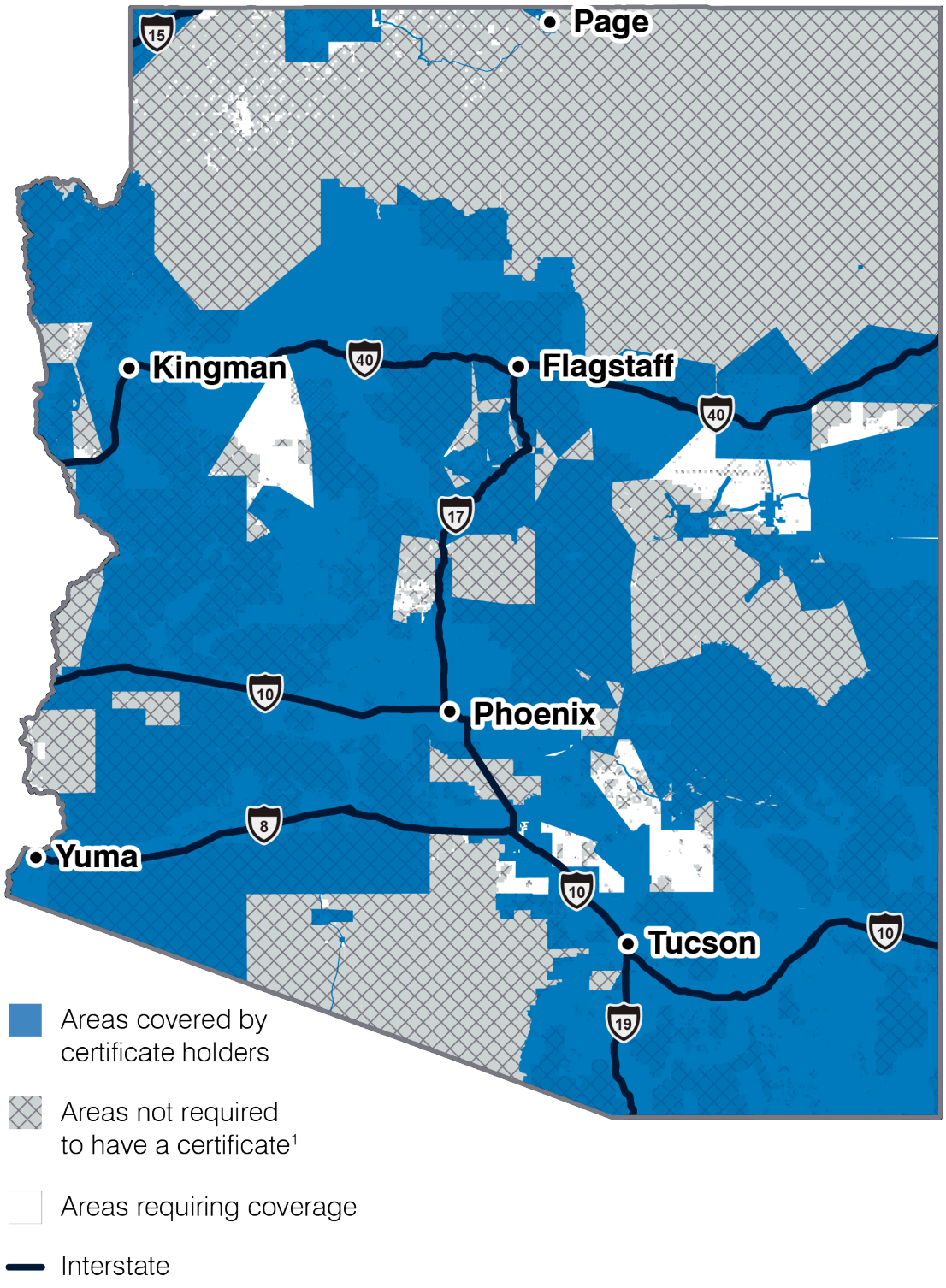
4 According to A.R.S. §§36-2201(5)(a) and 36-2232(A), the Department also regulates air and water ambulances (see Questions and Answers, page 39, for more information).

5 Certificate holders may also provide ground ambulance services outside their defined service area if requested through mutual aid agreements.

6 ESRI. (2026). *USA Federal Lands*. Retrieved 6/15/2026 from https://www.arcgis.com/home/item.html?id=5e92f2e0930848faa40480bcb4fdc44e#overview.; AZGeo. (2026). *American Indian Reservations in Arizona*. Retrieved 6/15/2026 from https://azgeo-open-data-agic.hub.arcgis.com/datasets/ADHSGIS::american-indian-reservations-in-arizona/explore?location=34.159686%2C-110.657682%2C8.

Figure 1

Certificate holders provide services to a majority of the State that require a certificate, as of June 2026



[1] According to the Department, ambulance services are not required to have a certificate to operate on federal or tribal lands, but there may be ground ambulance services operating in these areas.

Source: Department Geographic Information System Applications map on its website; Esri. "USA Federal Lands." ArcGIS *Living Atlas of the World*. 2026.; AZGeo "American Indian Reservations" in Arizona. 2026.

The Department is responsible for implementing the System through various processes.

These processes include:

- **Issuing, renewing, and amending certificates to qualified applicants for geographical areas with an identified public need**

  The Department is responsible for issuing initial certificates to qualified applicants that are valid for 1 year and outlining the service area with an identified public need (see textbox, page 4, for more information on what the Department director must consider when determining public necessity).[7,8] Additionally, these initial certificates generally outline specific response time requirements (see Finding 1, pages 13 through 15, for more information on the Department's inconsistent issuing of response time requirements on certificates). Applicants applying for an initial certificate must meet various statute and rule requirements, such as being fit and proper to provide ground ambulance services, paying appropriate fees, and filing a surety bond.[9,10] The Department is statutorily required to approve or deny initial applications within 180 days by determining whether the applicant is qualified and evaluating whether there is a need for the proposed ambulance services (see Questions and Answers, pages 28 through 30, for more information about our review of the initial applications the Department issued in fiscal year 2025).[11,12,13]

  Additionally, the Department is statutorily required to approve or deny renewal applications within 90 days and issue a renewed certificate that is valid for up to 3 years.[14,15] According to statute and rule, to be qualified for a renewal application, the certificate holders must meet all certificate requirements and pay applicable fees.[16] Similar to initial certificates, renewal certificates outline the service area with an identified public need and include response time requirements.[17,18]

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7 A.R.S. §36-2235(A).

8 A certificate may include multiple response time requirements. Specifically, a certificate may require a small percentage of calls to be responded to within a designated amount of time, an increased percentage of calls to be responded to within a longer amount of time, and a further increased percentage of calls to be responded to within an even longer amount of time. Additionally, a certificate may include different response time requirements for emergent and nonemergent calls (see Finding 1, Issue 2, pages 13 through 15, for more information on issues we identified related to requirements for emergent and nonemergent calls).

9 A.R.S. §36-2233(F).

10 According to Arizona Administrative Code (AAC) R9-25-902, applicants submit information to the Department to be assessed as fit and proper, including the type and level of service provided, an applicant's proposed deployment plan for ground ambulances, the number of ambulance attendants, and type of licensure for each attendant.

11 A.R.S. §36-2233(B).

12 AAC R9-25-1201 and Table 12.1.

13 According to A.R.S. §36-2233(B), if the Department requests additional information from an applicant at any point during this process, the 180-day statutory time frame is paused when the request is sent and resumes when the applicant provides the requested documents. According to AAC R9-25-1201(A)(1), (B)(1), (C)(4), and Table 12.1, if the Department requests additional information from an applicant, the applicant has 60 days to respond.

14 A.R.S. §36-2235(B) and (C).

15 According to A.R.S. §36-2235(B) and (C), the Department may deny or renew a certificate for less than 3 years if cause is shown to renew for a shorter term. For example, according to the Department, a certificate holder may have a shorter renewal term if the certificate holder was not compliant with the response time requirements on its certificate.

16 A.R.S. §36-2235 and AAC R9-25-903(A).

17 The Department is not required by statute to determine public necessity when processing a renewal application.

18 Similar to an initial certificate, a renewed certificate may include multiple response time requirements (see footnote 8 for more information).

Finally, certificate holders may apply to amend the information on their certificates, such as their business name, service area, services provided, and response time requirements.[19] The Department reported that amendments do not extend the certificate's expiration date. According to statute and rule, the Department is required to approve or deny amendment applications within 180 days.[20]

Rule outlines what the Department director must consider when determining public necessity

When determining public necessity for an initial or amended certificate, the Department director must consider multiple factors, including:

- The applicant's proposed response times or compliance percentage.
- A possible gap in service or unmet needs in the proposed service area. According to the Department, gaps in service and/or unmet needs are identified by comparing the available ambulance service(s) within the area, the response times for service(s) in the area, and how additional service may impact service response and overall quality of service.

When determining whether to issue a certificate to more than 1 ground ambulance service for the same service area or overlapping areas, the director must consider multiple factors, including:

- Response times and compliance percentages for current certificate holders in the area.
- Potential financial impact on current certificate holders in the applicant's service area.

Source: Auditor General staff review of AAC R9-25-906(A) through (B).

Regulating response times of certificate holders to meet the needs of the public and ensure adequate service

Statute and rule establish response times as a primary metric for the Department to determine public need for ground ambulance services and to assess the performance of certificate holders (see textbox, page 5, for key terms). Specifically, statute requires the Department to regulate certificate holders' response times and for certificate holders to record and provide response time data to the Department in a Department-approved format (see Finding 1, pages 10 through 19, for more information on the Department's failure to adequately regulate certificate holder response times).[21] Additionally, as previously discussed (see textbox above), rule requires the Department to consider an applicant's

[19] AAC R9-25-905.

[20] A.R.S. §36-2233(B), AAC R9-25-1201, and Table 12.1.

[21] A.R.S. §36-2232(A)(3).

proposed response times and certificate holders' compliance with their response time requirements when determining whether to issue an initial or amended certificate.[22,23]

Key terms

Dispatch record: Information on each call an ambulance responds to, including response time data and the response priority level. According to rule, certificate holders shall submit this information to the Department within 48 hours after receipt of a call or request for service. According to the Department, it uses dispatch records for quality assurance purposes, as outlined in rule, such as creating State-wide dashboards that show aggregate response times for all certificate holders and types of emergency medical service incidents by county.[1]

Response time: The amount of time between when the public safety answering point, such as a 911 call center, contacts an ambulance service for dispatch and when the ambulance service arrives at the dispatched location. The time the ambulance service arrives at the dispatched location must be tracked by a Global Positioning System (GPS) or manually entered if the certificate holder has a GPS waiver (see Questions and Answers, pages 30 through 31, for more information on GPS waivers). According to the Department, responses are prioritized by 911 or similar public service answering point as either emergent or nonemergent based on information available at the time of the call.

Emergent: An immediate response is required because of a patient's perceived condition. According to the Department, emergent calls can include reports of chest pains, a stroke, or a gunshot wound.

Nonemergent: A response is required at a time appropriate to a patient's perceived condition. According to the Department, nonemergent calls can include a vehicle crash with no obvious injuries, flu-like symptoms for several days with no difficulty breathing, or a request for a death pronouncement.

1 AAC R9-25-908(K).

Source: Auditor General staff review of A.R.S. §36-2232(A)(3), AAC R9-25-901, AAC R9-25-908, and Department-reported information.

Certificate holders are required to provide dispatch records, including response time data, to the Department within 48 hours of a receipt for a call or request for service.[24] The Department collects and maintains these records in an EMS registry that allows certificate holders to generate and transmit dispatch records and patient information, including name, condition severity, and treatments received, to other healthcare institutions.

22 AAC R9-25-906(A)(1)(a).

23 AAC R9-25-906(B)(2).

24 AAC R9-25-908(K)(3) and R9-25-908(J)(2).

In addition to the dispatch records certificate holders provide within 48 hours of an emergency response, the Department also requires certificate holders to use a standard format to provide annual response time reports from certificate holders that include summarized, self-reported information indicating the percentage of calls that complied with each of the certificate holders' response time requirements. Although rule requires annual response time reports to be based on a certificate holder's review of its dispatch records, certificate holders are not required to include dispatch records to support their reported compliance.[25] See Appendix B, pages b-1 through b-3, for examples of some response time reports the Department received from certificate holders in fiscal year 2025. The Department uses these annual response time reports to assess a certificate holder's compliance with response time requirements. However, as discussed in Finding 1, pages 11 through 12, we identified issues with the Department's assessment of certificate holder's compliance with response time requirements.

Along with the annual response time reports, some certificate holders may voluntarily provide supplemental information to the Department, but this information is not required to be submitted. The supplemental information certificate holders provide also varies by amount and details, ranging from spreadsheets calculating compliance percentages without data on individual calls to comprehensive dispatch records listing the total number of calls received during the year, each call's priority level, and each call's response time.

Additionally, rule requires any certificate holder that is noncompliant with response time requirements outlined in its certificate to develop a corrective action plan or provide documentation to the Department demonstrating the noncompliance was the result of factors outside of the certificate holder's control.[26] Further, rule requires the certificate holder to submit the corrective action plan to the Department for approval and states that the Department may take an enforcement action against any certificate holder that does not submit an acceptable corrective action plan or does not complete a corrective action plan (see page 7 for more information on the Department's authorized enforcement actions).[27]

- **Investigating and resolving complaints against certificate holders, and taking enforcement actions against certificate holders for noncompliance with statute or rule requirements**

The Department is statutorily required to investigate and resolve customer complaints against certificate holders involving any matter relating to the regulation of ground ambulance service.[28] According to Department data, it received 35 complaints against certificate holders in fiscal year 2025.[29] For example, the Department received complaints related to billing disputes, allegations of injury during ambulance transport, and certificate holders operating ambulances without required medications. See Questions and Answers,

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25 AAC R9-25-908(G).

26 AAC R9-25-908(G)(4).

27 AAC R9-25-911(A)(3) and (4).

28 A.R.S. §36-2245.

29 A.R.S. §36-2245 also allows the Department to investigate complaints against ground ambulance services that do not hold a certificate. The Department received and investigated at least 1 complaint in fiscal 2025 against a noncertificate holder that was providing ground ambulance services within the State.

pages 31 through 38, for more information on the Department's complaint-handling process, including our review of the Department's compliance with statutory requirements.

Additionally, when the Department determines that a certificate holder is not in compliance with statute or rule requirements through a complaint investigation, it is authorized to take enforcement actions against the certificate holder.

These enforcement actions include:[30]

- Entering into a stipulated agreement that may include a corrective action plan or civil monetary penalty.[31]
- Suspension of the certificate.
- Revocation of the certificate.

System has had various statutory and rule changes that became effective in December 2023 and March 2024

Various statutory and rule changes became effective in December 2023 and March 2024, respectively, that revised the System, including changes related to response times and the certificate-application process.

Specifically, Laws 2022, Ch. 381, effective December 31, 2023, revised statute to make the following changes to the System:

- Beginning on January 1, 2024, certificate holders are statutorily required to install a GPS-monitoring device in each ambulance to record on-scene response times, but certificate holders that cannot meet this requirement may receive a waiver from the Department.[32] Our review of Department documentation found that 31 of 105 certificate holders as of June 2026 obtained a GPS waiver for fiscal year 2025 (see Questions and Answers, pages 30 through 31, for more information on how certificate holders apply for a GPS waiver, and see Appendix A, pages a-1 through a-15, for more information on which certificate holders had a GPS waiver for fiscal year 2025).[33]
- The Department is required to review and update response times every 6 years based on various criteria, including population density and geographic and medical considerations.[34,35,36]

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30 AAC R9-25-910(E) and A.R.S. §36-2245(I), (J), and (K).

31 When including a civil monetary penalty, it may not be more than $350 for each violation, up to $15,000.

32 Laws 2022, Ch. 381, §3.

33 As discussed in Questions and Answers, pages 30 through 31, 32 certificate holders applied and received a GPS waiver during fiscal year 2025. However, as of June 2026, 1 of those applicants is no longer a certificate holder.

34 Laws 2022, Ch. 381, §3.

35 One additional review each 6-year period may be requested by a city, town, fire district, or authority whose jurisdictional boundaries are in whole or in part of a certificate holder service area.

36 The Department reported that it is developing a framework to evaluate response times based on the criteria identified in statute and developing a formula for establishing standard response times for certificate holders. It stated this will include developing a plan to identify the standard response times with certificate holders.

- The Department is required to notify any local governments, including cities, towns, fire districts or authorities, and tribal governments when an initial or amendment application is submitted, if the proposed service area is within the local government's jurisdictional boundaries (see Questions and Answers, page 23, for more information on certificate holders that are also notified when initial or amendment applications are submitted to the Department).[37,38]

- The Department is required to determine whether to approve or deny initial and amendment applications prior to an appeal being heard by the Arizona Office of Administrative Hearings (OAH) and must make this determination within 180 days, excluding days the applicant uses to respond to requests for additional information (see Questions and Answers, pages 23 through 27, for more information on this process).[39,40]

Additionally, effective March 7, 2024, the Department revised its rules to make various updates to its implementation of the System, including to its regulation of certificate holders' response times.

Specifically, these updates included:

- Adding a definition for response time priority levels of emergent and nonemergent responses.[41]

- Expanding response time reporting requirements to include all calls, including those from a 911 or similar system dispatch and for requests that include an interfacility transport of a patient with a time-critical condition.[42,43,44]

- Adding a requirement for initial, amended, or renewal certificate applicants to attest that the applicant has reviewed and will comply with statute and rule requirements related to ground ambulance service and that any information submitted to the Department is true and correct.[45,46,47]

- Adding the ability for the Department to require either a corrective action plan when approving a renewal application, or special limitations or conditions when approving an initial or renewal application.[48,49]

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37 Laws 2022, Ch. 381, §4.

38 Local governments, including cities, towns, fire districts, or authorities, and tribal governments must be notified within 15 days after an initial or amendment application is filed, within 15 days after the application is complete, and within 15 days after the Department has made a decision.

39 Prior to the revisions made by Laws 2022, Ch. 381, initial and amendment applications went to OAH for a recommended application decision prior to the Department making its final decision.

40 Prior to the revisions made by Laws 2022, Ch. 381, statute did not identify a time frame for the Department to approve or deny an initial or amendment application. Instead, AAC R9-25-1201 required the Department to complete its substantive review on an initial or amendment application within 450 days and send the application to OAH for a hearing with an administrative law judge.

41 AAC R9-25-901(35).

42 AAC R9-25-901(37).

43 Previously, rule applied response times to only calls that required an immediate response.

44 According to A.R.S. §36-2234.01(C)(2), an interfacility transport is an ambulance transport of a patient from a licensed healthcare institution to an evaluation agency or mental health treatment agency.

45 AAC R9-25-902(A)(1)(t) and (u).

46 AAC R9-25-905(B)(1)(f) and (h).

47 AAC R9-25-903(A)(1)(h) and (j).

48 AAC R9-25-903(C)(2).

49 AAC R9-25-902(D); R9-25-903(C)(2)-(3).

Our 1999 performance audit identified problems with the System and the Department's enforcement of quality controls

Our April 1999 performance audit found that the System did not ensure ambulance coverage throughout the State, leading to unregulated services and requiring costly air ambulances to fill the coverage gaps.[50] Additionally, it found that the System limited competition in the provision of ambulance services by creating a barrier to enter the market.[51] Our audit also found that the System did not contain a standard definition of "response times," which allowed certificate holders to calculate response times differently and that the Department did not provide assurance of adequate care to the public because it did not consistently conduct an analysis of response time data (see Finding 1, pages 10 through 19, for more information on the Department's failure to adequately regulate certificate holder response times and Questions and Answers, pages 38 through 39, for more information about our 1999 report).

Department has 18 total staff positions, including 1 filled assistant director position, 8 filled Bureau positions, and 9 vacant Bureau positions, responsible for overseeing the System

The Department has 18 total staff positions, including 1 filled assistant director for its Division of Public Health Preparedness, 8 filled Bureau positions, and 9 vacant Bureau positions, responsible for fulfilling its duties related to the regulation and enforcement of ground ambulance services provided by certificate holders.[52,53]

As of December 2025, the 8 filled Bureau staff positions included:

- 4 certificate application processors.
- 1 enforcement manager.
- 1 complaint investigator.
- 1 deputy Bureau chief.
- 1 Bureau chief.

According to the Department, as of December 2025, there were 9 vacant Bureau staff positions, including 3 certificate application processors, 1 ambulance services section chief, 1 assistant enforcement manager, 3 complaint investigators, and 1 GIS analyst.

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50 Arizona Auditor General report 99-6 *A Performance Audit of the Department of Health Services, Bureau of Emergency Medical Services.*

51 Our April 1999 performance audit also determined that the Department had not adequately handled complaints against EMTs, paramedics, ambulance companies, and related entities, including not timely determining whether to take action or determining what actions to take.

52 Our April 2026 review of all Department staff responsible for implementing the System found that none previously worked for certificate holders or had disclosed any potential conflicts of interest.

53 The assistant director position is located within the Department's Office of the Director but is responsible for overseeing the Division of Public Health Preparedness, which includes the Bureau. This position was filled as of December 2025.

Department has not effectively regulated certificate holder response times to ensure public needs are met across the State, as required by statute; therefore, System effectiveness cannot be determined, and public health may be at risk

Department did not appropriately oversee response times to determine the performance of and necessity for ground ambulance services and thus cannot ensure public needs are being met across the State, risking public health and limiting the Department's and our ability to assess System effectiveness

As discussed in the Introduction, page 4, statute and rule establish response times as a primary metric for the Department to determine the public need for ground ambulance services and to assess the performance of certificate holders. However, our review of response time reports the Department received from certificate holders and the corrective action plans the Department put certificate holders on in fiscal year 2025 found multiple concerns with the Department's oversight of certificate holders' response times.

Specifically, the Department:

- Did not review and assess complete and accurate response time data from certificate holders and may have inaccurately determined certificate holders were in compliance with response time requirements based on the incomplete/inaccurate data.
- Did not consistently establish response time requirements for certificate holders.
- Approved differing corrective actions without documenting its reasoning that did not ensure response time noncompliance was resolved and took inconsistent renewal actions.

As outlined in the following 3 issue sections below, as a result of these concerns, neither the Department nor we can determine the System's effectiveness at addressing public need for ground ambulance services.[1]

[1] We identified potential issues with Arizona's certificate of necessity regulatory system as part of our 1999 performance audit, including that there is no guarantee of coverage, certificates are ineffective for ensuring quality, and unregulated services and costly air ambulances fill deficiencies (see Introduction, page 9, and Questions and Answers, pages 38 through 39, for more information on our 1999 performance audit and the Department's implementation of the System).

Issue 1: Department did not ensure it reviewed and assessed complete and accurate response time data from certificate holders, limiting its ability to ensure public needs are being met across the State

Despite its statutory requirement to regulate response times and the National State Auditors Association (NSAA)-recommended practices for carrying out a state regulatory program, including monitoring practices, the Department did not ensure it reviewed and assessed complete and accurate response time information from certificate holders (see textbox for examples of NSAA-recommended monitoring practices). The Department relied on summarized, self-reported response time reports certificate holders were required to provide annually and voluntarily provided supplemental information that some certificate holders provide to assess certificate holders' compliance with their response time requirements (see Introduction, pages 4 through 6, for more information on response time information certificate holders submit, and see Appendix B, pages b-1 through b-3, for examples of some response time reports the Department received from certificate holders).[2,3] Our review of a random sample of 10 of 49 fiscal year 2025 response time reports from certificate holders that the Department determined were compliant with their response time requirements found that 8 response time reports were inaccurate, incomplete, or lacked sufficient information needed to assess accuracy and completeness.[4,5]

Examples of NSAA-recommended monitoring practices for state regulatory agencies

- When receiving reports from regulated entities during the monitoring process, specify what they should report on, and review that information and verify it as needed.
- Follow up as needed on any noncompliance or on any questionable or "bad" results reported.

Source: Auditor General staff review of National State Auditors Association (NSAA). (2004). *Carrying out a state regulatory program: A National State Auditors Association best practices document*. Retrieved 7/16/2026 from https://www.nasact.org/files/News_and_Publications/White_Papers_Reports/NSAA%20Best%20Practices%20Documents/2004_Carrying_Out_a_State_Regulatory_Program.pdf

Specifically:

- 1 response time report was inaccurate, indicating faster response times than the supplemental response time information provided. Specifically, despite the certificate holder indicating compliance with its response time requirement to respond to 100% of its calls in less than 42 minutes, according to the supplemental information it provided, the certificate holder's response time for 23 of 827 calls, approximately 2.8%, exceeded 42

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2 See Introduction, pages 5 through 7, and Questions and Answers, pages 30 through 31, for more information on the Department's implementation of its statutory requirement related to certificate holders and GPS monitoring devices and waivers.

3 AAC R9-25-908(G)(3) requires the Department to establish a format for gathering response time information from certificate holders. See page 19 for more information on how the Department's standard format for annual response time reports, including supplemental response time information, may have impacted its ability to ensure it reviews and assesses accurate response time data.

4 We also reviewed the voluntarily provided supplemental information for fiscal year 2025 that 4 of 10 certificate holders provided to the Department with their response time reports.

5 Our review found that 2 of 10 response time reports were consistent with the supplemental information provided by the certificate holders. The Department established response time requirements for emergent calls but not for nonemergent calls for these 2 certificate holders. Because these certificate holders only provided response time information for emergent calls, neither the Department nor we can determine the certificate holders' response times for nonemergent calls.

minutes. Although the response times indicated in the certificate holder's supplemental information were not compliant with its response time requirements, the Department determined the certificate holder was compliant based on the inaccurate response time report but did not document its justification for this determination.

- 1 response time report was incomplete, excluding response time information for nonemergent calls, despite response time requirements for this certificate holder including both emergent and nonemergent calls. Because the certificate holder only provided information on the approximately 1,300 emergent calls it received and did not provide information on approximately 10,000 nonemergent calls it received, the Department and we are unable to determine whether the inclusion of nonemergent calls would impact its compliance with its response time requirements.[6] The Department determined the certificate holder was compliant based on the incomplete response time report.[7]

- 6 response time reports did not have any supplemental information provided by the certificate holder, and therefore, neither the Department nor we can determine the accuracy of the response time reports. The Department determined these certificate holders were compliant with their response time requirements, despite the accuracy of the response time reports being unknown.

Without complete and accurate information, the Department cannot ensure that certificate holders are compliant with their response time requirements established based on public need, which may impact public health if people do not receive timely ambulance services during health emergencies and events. Additionally, the Department may be unable to identify certificate holders that reported compliance but may actually be noncompliant with requirements and take corrective or enforcement actions as needed (see Issue 3, pages 15 through 17, for more information on issues we identified with the Department's approval of corrective actions for noncompliant certificate holders). Further, the Department cannot determine whether there may be unmet public needs that may impact public health that requires additional certificate holder(s) in the service area or performance improvements by certificate holders.

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6 Our review of additional response time data on the Department's website for this certificate holder found that it received approximately 1,300 emergent calls and approximately 10,000 nonemergent calls during fiscal year 2025.

7 The Department reported that this certificate holder stated it would not be compliant with its response time requirements if they were evaluated on nonemergent calls (see textbox on page 14 for more information related to this certificate holder's compliance).

Issue 2: Department has not consistently established both emergent and nonemergent response time requirements for certificate holders, causing confusion for some certificate holders and limiting the Department's ability to ensure certificate holders consistently meet public need

Contrary to NSAA-recommended practices to establish standard criteria for each regulated entity, the Department has not consistently established both emergent and nonemergent response time requirements for certificate holders, further limiting its ability to ensure certificate holders have met public need (see textbox for examples of NSAA-recommended standard-setting practices). Our review of all 103 Department-issued certificates of necessity as of December 2025 found the Department had not consistently established both emergent and nonemergent response time requirements for certificate holders (see Introduction, page 5, for more information on emergent and nonemergent calls).

Examples of NSAA-recommended standard-setting practices for state regulatory agencies

- Establish standard definitions, guidelines, criteria, qualifications, etc., for each entity to be regulated.
- Develop a systematic and fair process for issuing both new and renewal licenses/permits to qualified applicants.

Source: Auditor General staff review of NSAA, 2004.

Specifically:

- 2 certificates had no response time requirements.[8,9]
- 8 certificates had emergent response time requirements but did not have nonemergent response time requirements.[10]
- 7 certificates had different emergent and nonemergent response time requirements.[11]
- 86 certificates had the same emergent and nonemergent response time requirement.[12]

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8 Both of these certificates were renewed after the March 2024 rule changes, which added the definition of response time priority levels and applied response time requirements to all calls (see Introduction, page 8, for more information on the 2024 rule changes). As of December 2025, 1 of these certificates expires in 2027, and the other certificate expires in 2028.

9 Although the 2 certificate holders without response time requirements provide only interfacility transports, according to AAC R9-25-908(G), certificate holders shall ensure that response times for interfacility transport of a patient with a time-critical condition complies with the requirements on its certificate (see Introduction, footnote 44, page 8, for more information on interfacility transports).

10 Seven of 8 certificates were renewed or issued after the March 2024 rule changes, which added the definition of response time priority levels and applied response time requirements to all calls. As of December 2025, 3 of the certificates expire in 2026, 1 certificate expires in 2027, and 4 of the certificates expire in 2028.

11 Four of 7 certificates were renewed or issued after the March 2024 rule changes, which added a definition of response time priority levels and applied response time requirements to all calls. As of December 2025, 1 certificate expires in 2026, 1 certificate expires in 2027, and 2 certificates expire in 2028.

12 Sixty-nine of 86 certificates were renewed or issued after the March 2024 rule changes, which added a definition of response time priority levels and applied response time requirements to all calls. As of December 2025, 2 of the certificates expire in 2025, 14 of the certificates expire in 2026, 25 of the certificates expire in 2027, and 28 certificates expire in 2028.

Department's inconsistent guidance has confused some certificate holders and potentially resulted in it receiving incomplete response time information

In March 2026, a group of 3 certificate holders sent a letter to the Department indicating that, because of prior Department guidance and the Department's issuance of some certificates with only emergent response time requirements, they believed their response-time-reporting requirements were only applicable to emergent calls, despite all 3 of their certificates also including response time requirements for nonemergent calls.[1] The 3 certificate holders reported that, because of this prior Department guidance, they, and likely other certificate holders, had historically provided the Department with response time information for only higher-priority emergent calls and had excluded response times for all lower-priority nonemergent calls. As a result, the Department has been lacking information to assess whether these 3 certificate holders met all the response time requirements it established based on public health needs.

The Department reported to us that, prior to March 2026, it had been unaware the response time information these 3 certificate holders provided was incomplete despite receiving fiscal year 2025 reports for these 3 certificate holders in December 2025. In an April 2026 response letter to the 3 certificate holders, the Department reported that none of these certificate holders would be considered out of compliance with response-time-reporting requirements, despite reporting only a subset of the calls they received, but that moving forward all certificate holders must operate in compliance with State law.[2]

1 Two of these certificate holders reported they were provided written guidance indicating that their response time requirements were only relevant to emergent calls in December 2017 and April 2019. When asked about this prior guidance, the Department reported it was aware that certificate holders may have relied on this prior guidance, but this guidance was superseded by rule changes made in March 2024 (see Introduction, page 8, for more information on the rule changes).

2 According to Department rule, compliance with State law would include reporting response times for all calls, including nonemergent calls.

Source: Auditor General staff review of the March 2026 letter sent to the Department, the Department's April 2026 response letter to the 3 certificate holders, interviews with Department staff, and AAC R9-25-908(G).

Without consistently establishing both emergent and nonemergent response time requirements for certificate holders based on public need, the Department limits its ability to hold certificate holders accountable and ensure public need is met. For example, for the 8 certificate holders without nonemergent response time requirements, the Department and the certificate holder are unable to assess the timeliness of those responses.[13] Additionally, inconsistently establishing response time requirements has caused confusion for some certificate holders, contributing to them submitting incomplete response time data to the Department (see textbox for an example of response time information the Department has not received due to conflicting guidance).

The Department reported that in July 2025, it began updating certificates to add response time requirements for both emergent and nonemergent calls during certificate holders' renewals because it cannot amend certificate response time requirements without the certificate holder submitting an amendment or renewal application. However, we identified 3 certificates renewed in August and September 2025 that do not include response time requirements for both emergent

13 AAC R9-25-908(G)(1) and (2) requires certificate holders to comply with and assess their response time performance against the requirements on their certificates.

and nonemergent calls. Further, because certificates are valid for 3 years and the Department's plan is reliant on certificate holders either submitting an amendment or renewal application, it could take until calendar year 2028 for all certificates to be renewed and certificate holders' response time requirements to be updated (see Introduction, pages 3 through 4, for more information on the length of time a certificate is valid). As such, these certificates could continue to have inconsistent requirements until 2028.

Issue 3: Despite not receiving complete and accurate response time information, the Department approved corrective actions that appeared inconsistent and did not resolve response time noncompliance and took inconsistent renewal actions, risking being unable to assess that public need is met and weakening the defensibility of its actions

Despite not ensuring that it received complete and accurate response time information in the reports certificate holders submitted to it, during fiscal year 2025, the Department approved corrective actions submitted by some certificate holders. However, contrary to NSAA-recommended practices for enforcement and licensing actions, the Department approved different corrective actions submitted by certificate holders with similar violations that appeared inconsistent and did not ensure all corrective actions it approved resolved response time noncompliance and it took inconsistent renewal actions, risking that certificate holders do not meet public need and the Department being unable to support its determinations (see textbox for examples of NSAA-recommended enforcement and licensing practices).[14] Specifically, the Department approved 14 corrective action plans submitted by certificate holders that had provided response time reports that indicated noncompliance with their response time requirements and did not take any corrective or enforcement actions for response time noncompliance against any certificate holder that did not self-report response time noncompliance in fiscal year 2025 (see Introduction, pages 6 through 7, for information about the Department's authorized corrective and enforcement actions).[15,16]

Examples of NSAA-recommended enforcement and licensing practices for state regulatory agencies

- Take appropriate, consistent, and timely enforcement actions that address the violations cited against these people/entities.
- Specify and consider the number or severity of violations that should trigger each level of sanction.
- Follow up as needed to determine whether the problem has been corrected or whether additional enforcement action is needed.
- Take reasonable steps for license renewals to ensure that the applicant meets all current requirements.

Source: Auditor General staff review of NSAA, 2004.

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[14] As discussed in the Introduction, page 6, AAC R9-25-908(G)(4) requires any certificate holder that is noncompliant with response time requirements on its certificate to develop and submit a corrective action plan to the Department for approval or provide documentation demonstrating noncompliance was the result of factors outside of the certificate holder's control.

[15] During fiscal year 2025, the Department did not use its other authorized enforcement actions.

[16] The Department is only authorized to take corrective or enforcement actions when noncompliance is identified. However, as discussed in Issue 1, pages 11 through 12, the Department determined some certificate holders were compliant with their response time requirements despite receiving response time reports that were inaccurate, incomplete, or lacked sufficient information needed to assess accuracy and completeness.

However, for the 14 certificate holders that self-reported noncompliance, the Department:

- **Approved corrective actions submitted by certificate holders that appeared inconsistent when certificate holders had similar self-reported violations of noncompliance with response time requirements without documenting its justification for doing so**

  Our review of these 14 certificate holders' corrective action plans found that 4 corrective action plans included a requirement for the certificate holders to amend their response time requirements and to provide quarterly response time reports to the Department for 1 year. The remaining 10 corrective action plans included a requirement to provide quarterly response time reports to the Department for 1 year but did not require the certificate holders to amend their response time requirements.

- **Did not ensure that all corrective action plans resolved response time noncompliance and took inconsistent renewal actions for certificate holders with continued noncompliance without documenting its justification for doing so**

  Our review of these 14 certificate holders also found that 8 of the certificate holders reported in their required quarterly reports that they continued to not comply with their response time requirements at the conclusion of their corrective action plans and the Department took inconsistent renewal actions for these certificate holders.[17] Specifically, the Department required 7 of these certificate holders to continue a corrective action plan but did not require 1 of these certificate holders to continue to complete any corrective actions or take any enforcement action (see Table 1, page 17, for more information on the Department's continued actions against the 8 noncompliant certificate holders).[18] Additionally, the Department renewed 2 of these 8 certificate holders for 3 years and renewed the remaining 6 certificate holders for just 1 year.

In both cases, we did not identify any evidence in the Department's files documenting any aggravating or mitigating factors to justify these inconsistencies in the approval of corrective action plans or its inconsistent renewal actions for certificate holders with continued noncompliance. For example, the Department reported that it approved different corrective actions proposed by the certificate holder based on their identified needs, such as amending response times due to population growth in a service area or the certificate holder's staffing levels, but it did not document its justification for doing so.

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[17] For the remaining 6 certificate holders we reviewed, 4 came into compliance with their certificate's response time requirements, and we were unable to determine whether 2 certificate holders were in compliance with their certificate's response time requirements because the reporting period for 1 had not concluded at the time of our review in March 2026, and the other had ceased operations by the time of its final reporting period.

[18] AAC R9-25-908(G)(4) requires certificate holders that are not compliant with the response time requirements on their certificate to either provide documentation that noncompliance was the result of factors out of the certificate holders' control or be put on a corrective action plan.

Table 1

Department took inconsistent actions against 8 of 14 certificate holders put on a corrective action plan in fiscal year 2025 due to response time noncompliance that remained noncompliant with their response time requirements[1,2]

Certificate holder	Additional action the Department required	Length of certificate renewal
1	No further action taken	3 years[3]
2	Corrective action plan[4]	3 years[3]
3	Corrective action plan[4]	1 year
4	Corrective action plan	1 year
5	Corrective action plan[5]	1 year
6	Corrective action plan	1 year
7	Corrective action plan	1 year
8	Corrective action plan	1 year

1 As discussed in footnote 17, page 16, for the remaining 6 certificate holders we reviewed, 4 came into compliance with certificate requirements, and we were unable to determine whether 2 certificate holders were in compliance.

2 All 8 certificate holders were renewed during the time period they were on a corrective action plan.

3 The Department reported that a former employee who did not have authority to approve renewals renewed these 2 certificate holders for 3 years. The Department reported that this employee renewed 13 certificates in total when he was not authorized to do so, including some that had received enforcement actions.

4 These corrective action plans required the certificate holders to submit an amendment application to amend their response time requirements. Once these certificate holders submitted their amendment applications and they were approved, the certificate holders' corrective action plans were closed.

5 This certificate holder's corrective action plan requires it to submit an amendment application to update its response time requirements, and this amendment application was under Department review as of April 2026.

Source: Auditor General staff review of Department documentation.

By approving potentially inconsistent corrective actions and taking inconsistent renewal actions for noncompliant certificate holders and not documenting the reasons for doing so, the Department cannot ensure that all certificate holders are meeting public need, and the Department may be unable to demonstrate the justification for its determinations. For example, by taking inconsistent actions when there is continued noncompliance, the Department allowed some certificate holders to remain noncompliant with response time requirements established based on public need. Finally, by approving different corrective actions in similar situations of noncompliance with different certificate holders without documenting its justification for its decision making, the Department may negatively impact its credibility with certificate holders and risk weakening the defensibility of its actions and determinations.

Department's lack of policies and procedures and changes in Bureau leadership and staff contributed to all 3 issues previously discussed, and the Department's belief that it does not have authority to use dispatch records to regulate response times contributed to it not obtaining complete and accurate response time data

The Department lacks policies and procedures for implementing the System and regulating response times and has experienced Bureau leadership and staffing changes since the statutory and rule changes occurred, which likely contributed to the 3 issues we identified. Specifically, the Department has not developed policies and procedures for implementing the System, such as reviewing and assessing complete and accurate response time information; establishing both emergent and nonemergent response time requirements for certificate holders; documenting reasons for approving corrective action against noncompliant certificate holders; ensuring corrective and enforcement actions resolved certificate holders' response time noncompliance; or for taking renewal actions.[19] For example, the Department lacks a review or approval process for ensuring certificate holders are appropriately renewed following enforcement action, as evidenced by the Department reporting that at least 13 certificate holders were improperly renewed by a former employee who no longer works for the Department (see Table 1, footnote 3, page 17, for more information). The Department reported that it stopped using its policies and procedures after rule changes in calendar year 2024 impacted multiple areas of the System, including adding a definition of response times (see Introduction, pages 7 through 9, for more information on statutory and rule changes). The Department reported that it has since relied on informal and undocumented on-the-job training with supervisors to communicate its updated System processes to staff in place of its policies and procedures written prior to the statutory and rule changes.

Additionally, the Department experienced changes in multiple Bureau leadership and staff positions responsible for overseeing the System since the statutory and rule changes occurred in December 2023 and March 2024, which led to delays in implementing process improvements for regulating certificate holders' response times and updating its policies and procedures for implementing the System following the statutory and rule changes. Specifically, the assistant director who oversees the Bureau was hired in July 2024, and the Bureau chief was hired in November 2025, filling a position that was previously vacant for nearly 11 months. Additionally, the Department had 1 deputy Bureau chief, 4 managers, and 2 other staff members resign between November 2023 and September 2024.[20] The Department reported that these resignations led to delays in strategic decision making and a loss of institutional knowledge and that these challenges impacted the Department's ability to meet System requirements, including those made by the statutory and rule changes between December 2023 and March 2024.

Further, because the December 2023 and March 2024 statutory and rule changes expanded the response time reporting requirements to include both emergent and nonemergent calls and interfacility transports of a patient with a time-critical condition, the Department reported that fiscal year 2025 was the first fiscal year it reviewed reports for compliance with these requirements.

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[19] The Department also has not updated it policies and procedures for other areas of the System, such as processing applications and complaint handling (see Questions and Answers, pages 28 through 36, for more information on these areas).

[20] The Department reported that it also lost 2 contractors in December 2024 that worked on complaint handling.

Finally, we also identified specific factors that contributed to Issue 1 and the Department's failure to ensure it received complete and accurate response time information from certificate holders. Specifically, the Department reported it does not believe it has the authority to use dispatch records submitted to the EMS registry to regulate response times or determine certificate holders' compliance with response time requirements because dispatch records are identified as quality assurance data in rule (see Introduction, page 5, for more information on dispatch records).[21] Additionally, although the Department had developed a standard format to request annual response time reports, this format did not ensure it received information for all required calls or information that would enable the Department to review and assess self-reported response time information.[22] The Department reported that it plans to develop a process to receive annual response time information similar to the dispatch records certificate holders submit to the EMS registry through updates to its standard format that will enable the Department to review and assess response time compliance.

Recommendations to the Department

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

2. Establish emergent and nonemergent response time requirements for all certificate holders, consistent with recommended practices, including updating certificates for the certificate holders that do not have both emergent and nonemergent response time requirements through the certificate renewal process or when a certificate holder submits an amendment application.

3. Upon establishing emergent and nonemergent response time requirements as outlined in recommendation 2, hold certificate holders accountable to their emergent and nonemergent response time requirements, as required by statute and Department rules.

Ensure actions for certificate holders with similar violations for response time noncompliance are consistent or document its reasons for deviation, including aggravating or mitigating factors considered, consistent with recommended practices, including when:

4. Approving corrective actions submitted by certificate holders.

5. Taking enforcement actions.

6. Taking renewal actions for certificate holders that are on corrective action plans or under enforcement action.

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

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[21] AAC R9-25-908(K).

[22] AAC R9-25-908(G)(3) requires certificate holders to annually provide response time data to the Department in a Department-provided format.

Develop and implement policies and procedures for implementing the System, including:

8. Reviewing and assessing certificate holders' complete and accurate response time data to determine compliance with their response time requirements.

9. Establishing both emergent and nonemergent response time requirements for all certificate holders, including during its renewal process.

10. Approving corrective actions submitted by certificate holders that are noncompliant with their response time requirements, such as when Bureau staff should approve a corrective action plan with a requirement to amend response time requirements, including requirements for documenting the factors considered in making the determination to approve the corrective actions.

11. Taking enforcement actions against certificate holders in noncompliance with response time requirements and documenting aggravating and mitigating factors that were considered for any deviation when certificate holders have similar violations.

12. Renewing certificate holders that are on a corrective action plan for response time noncompliance or have continued noncompliance with response time requirements following corrective or enforcement action, including specifying who can approve the renewal and the length of renewal.

13. Revise its standard format for receiving response time data to obtain the information necessary to verify certificate holders' self-reported response time information for all required calls.

Department response: As outlined in its **response**, the Department agrees with the finding and will implement or implement in a different manner the recommendations.

These Questions and Answers include additional recommendations not discussed earlier in the report.

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Questions and answers

Question 1: What are the Department's required time frames and processes for issuing or amending certificates?

Statute and rule require the Department to process initial and amendment certificate applications within 180 days, and the Department reported it follows several internal steps to review and make decisions on the applications.[1] As seen in Figure 2, pages 24 through 25, the Department's process includes multiple steps and reviews, including determining if the application materials are complete and reviewing the application materials to determine if the applicant is qualified and that there is a public need for the proposed ambulance services. Pursuant to statute, the Department director makes the final decision to either issue or deny an initial or amended certificate. Statute also allows any certificate holder with an overlapping service area (intervenor) or the applicant to appeal the Department director's decision for a hearing overseen by an OAH administrative law judge (see textbox, page 25, for more information on how the intervenor process changed in December 2023).[2,3,4] Once the OAH administrative law judge issues a decision on the appeal, statute requires the Department to accept, reject, or modify the administrative law judge's decision within 30 days after the decision is sent to the Department, or if it takes no action, the administrative law judge's decision becomes final (see Question 2 below for more information on who intervened in the Department's decisions to issue or amend certificates).[5,6]

Question 2: Who intervened in the Department's decisions to issue or amend certificates between fiscal years 2021 and 2025, and what were the outcomes related to these certificates?

Our review of all 13 initial and amendment certificate applications sent to OAH in fiscal years 2021 through 2025 found that 7 of 13 had at least 1 intervenor.[7] Specifically, for 1 application, because the applicant appealed the Department's denial of their application, the application was sent to OAH for a review of the Department's denial. Additionally, all 7 applications, including the application appealed by the applicant, had another certificate holder intervene and all intervenors in these 7 applications were subsidiaries of the emergency medical service provider, American Medical Response (AMR) (see Question 1 above for information on who can intervene).[8] As seen in Table 2, pages 26 through 27, AMR opposed 6 of 7 initial or amendment certificate applications and supported 1 application. Out of these 7 applications, the Department approved 5 and denied 2.[9]

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1 A.R.S. §36-2233(B).

2 A.R.S. §36-2234(D)(6).

3 Prior to December 31, 2023, the Department was required to submit all initial and amendment applications to OAH for a hearing to make an initial decision. Effective December 31, 2023, Laws 2022, Ch. 381, revised statute to require the Department's director to make all initial and amendment certificate decisions and allowing applicants and intervenors to appeal Department decisions to OAH.

4 A.R.S. §36-2234(D)(6) requires the administrative law judge to issue a decision to the Department within 20 days after the hearing is concluded.

5 A.R.S. §36-2234(D)(7).

6 A.R.S. §36-2234(D)(8).

7 OAH has a 3-year retention schedule. We gathered both documentation from OAH and publicly available information from OAH's website to review cases for fiscal years 2021 through 2025. Although we reviewed publicly available information on OAH's website and requested all cases from OAH for fiscal years 2021 through 2025, we are unable to independently verify this is a full list of all certificate application cases submitted to OAH.

8 According to AMR's website, it is a leading provider of ground ambulance services across the United States (see Appendix A, pages a-1 through a-15, for more information on AMR's certificate holders in Arizona).

9 For the 5 approved applications, the process took between 2 and 20 months for a final Department decision. The application approved in 2 months was supported by AMR.

Figure 2

The Department conducts multiple reviews as part of its application process for processing initial and amendment certificates

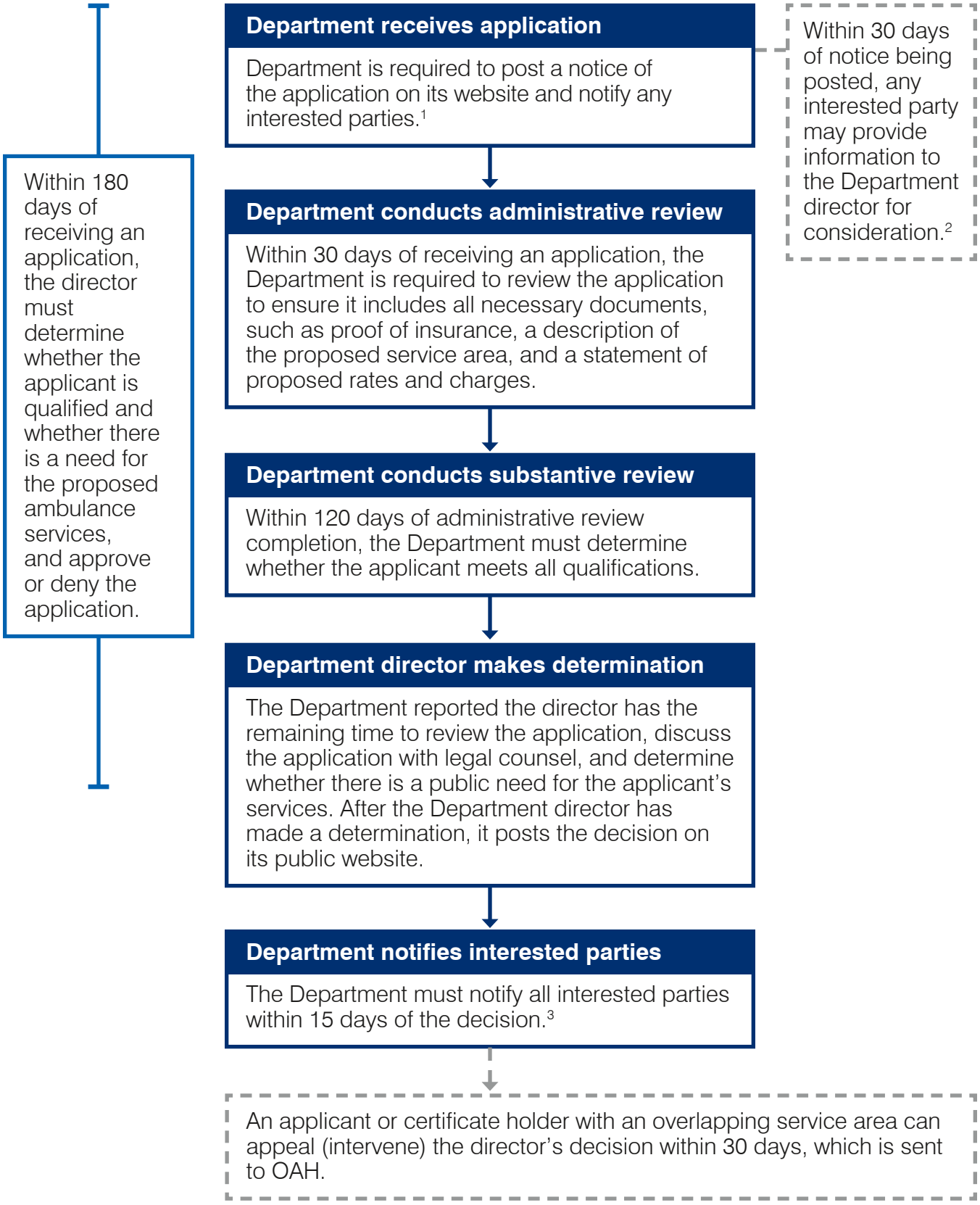


Figure 2 continued

1 A.R.S. §36-2233(D) considers a city, town, fire district, fire authority, tribal government whose boundaries in whole or in part are within the service area of a certificate, an existing certificate holder within the service area of the certificate, or a licensed hospital located within the service area of the certificate to be interested parties.

2 Interested parties typically provide statements and information in support of or against an applicant.

3 A.R.S. §§36-2234 and 41-1092.01(C)(10).

Source: Auditor General staff review of A.R.S. §§36-2233 and 36-2234; AAC R9-25-1201; and interviews with Department staff.

According to OAH documentation, in the 6 cases where AMR opposed the applications, AMR offered different reasons for its opposition, and in some cases, it offered multiple reasons. For example, in some of the cases, AMR asserted that it was compliant with the response time requirements on its certificate, and therefore, no additional ambulance services were needed from the applicants that applied to service the same or some of the same area that AMR serviced. Additionally, in some cases, AMR argued that there would be negative financial impacts on its business if the applicant were allowed to provide ambulance services.[10]

Intervenor process changed in December 2023

Laws 2022, Chapter 381, §5, revised statute, effective December 31, 2023, changing the process for certificate holders to intervene in the application process.

Process prior to December 31, 2023: Following its substantive review, statute required the Department director to require a hearing for all initial and amendment applications with an OAH administrative law judge.[1] An intervenor was then able to submit their position of either opposition or in support of a potential new certificate holder servicing all or parts of the intervenor's service area. The OAH administrative law judge was required to make a recommendation to the Department for a final decision, including reviewing and assessing information provided by the intervenor(s) and determining whether there was a public need.

Process after December 31, 2023: As discussed in Question 1, page 23, statute requires the Department to make a decision of whether to issue or deny the initial or amendment certificate, including determining whether there is a public need. An intervenor or the applicant can appeal the Department's decision, which requires a hearing and written decision from an OAH administrative law judge. The Department may accept, modify, or reject the administrative law judge's decision.[2]

1 Prior to December 31, 2023, A.R.S. §36-2234(C)(4) allowed the Department to waive an OAH hearing if it had received no requests for a hearing from potential intervenor(s).

2 According to A.R.S. §36-2234(D)(8), if the director does not accept, reject or modify the administrative law judge's decision within 30 days, the administrative law judge's decision becomes final.

Source: Auditor General staff review of Laws 2022, Ch. 381, §5; and OAH documentation.

10 AAC R9-25-906(B)(9) states that the Department shall consider the financial impact on certificate holders whose service area includes all or part of the service area requested by the applicant.

Table 2

1 intervenor, AMR, intervened on all 7 initial or amendment certificate applications with an intervenor, and 5 of these certificate applications were approved and 2 were denied

Fiscal years 2021 through 2025

Applicant	Type of application	Initial Department decision	Intervenor(s)	Intervenor(s) position on application	OAH recommendation of approval	Outcome of application[1]
Pre-December 2023 changes						
Priority Ambulance Yavapai, LLC	Initial	N/A[2]	Life Line Ambulance Service doing business as (dba) AMR	Oppose	Approval	Approved
City of Goodyear Fire Department	Initial	N/A[2]	American Medical Response of Maricopa and Professional Medical Transport both dba AMR	Oppose	N/A[3]	Approved
Casa Grande Fire Department	Initial	N/A[2]	Southwest Ambulance of Casa Grande dba AMR	Oppose	Approval	Approved
Central Arizona Fire and Medical Authority dba CAFMA	Initial	N/A[2]	Life Line Ambulance Service dba AMR	Oppose	Approval	Approved
Lake Havasu City Fire Rescue and EMS	Initial	N/A[2]	River Medical dba AMR	Support[4]	Approval	Approved

Table 2 continued

Applicant	Type of application	Initial Department decision	Intervenor(s)	Intervenor(s) position on application	OAH recommendation of approval	Outcome of application[1]
Post December 2023 changes						
Old Pueblo Medical Transportation	Initial	Approved	Southwest Ambulance of Tucson and Rural Metro both dba AMR	Oppose	Denial	Denied
Priority Ambulance Yavapai, LLC[5]	Amendment	Denied	• Priority Ambulance Yavapai, LLC[6] • Life Line Services and River Medical both dba AMR[8]	• Priority Ambulance Yavapai, LLC: Support • Life Line Services and River Medical both dba AMR: Oppose	N/A[7]	Denied

1 For all applications where OAH made a recommendation, the Department reported it agreed with the OAH recommendation and did not reject or modify the application decision.

2 Prior to December 31, 2023, when the statutory changes made by Laws 2022, Ch. 381, became effective, the Department was required to submit all initial and amendment applications to OAH for a hearing overseen by an OAH administrative law judge, after which the administrative law judge considered the intervenor's position, if applicable, and made a recommendation to the Department for a final decision (see Introduction, pages 7 through 9, for more information on these statutory changes).

3 The OAH hearing was vacated because the intervenor and applicant came to a resolution, and the application was sent to the Department for its determination, which it approved.

4 The intervenor for Lake Havasu City Fire Rescue and EMS application filed a stipulation for intervention, supporting the application approval, establishing that the intervenor and applicant worked together to formulate a plan for providing ground ambulance services.

5 The applicant, Priority Ambulance Yavapai, LLC, submitted 1 amendment application. The applicant opposed and appealed the application denial, and the intervenor, AMR, supported the application denial.

6 The applicant, Priority Ambulance Yavapai, LLC, appealed the director's determination to deny the application, in accordance with A.R.S. §36-2234(A).

7 The applicant, Priority Ambulance Yavapai, LLC, withdrew its appeal, and the Department denied the application.

8 After Priority Ambulance Yavapai, LLC appealed the director's determination to deny its application, and the intervenor, AMR, opposed Priority Ambulance Yavapai LLC's appeal, in accordance with A.R.S. §36-2234(A).

Source: Auditor General staff review of OAH and Department documentation.

Question 3: How many applications did the Department receive between January 2019 and June 2026?

The Department received 31 initial certificate applications between January 2019 and June 2026 (see Table 3 for more information on the Department's decisions on these applications).

Table 3

Department received 31 initial certificate applications from January 2019 to June 2026[1,2]

Status of application	Number of applications
Approved by the Department[3]	12
Withdrawn by either the applicant or the Department[4,5]	16
Denied by the Department[6]	3
Total	**31**

1 The 31 initial applications include all 6 initial applications we reviewed that the Department received in fiscal year 2025 (see Question 4 below for more information).

2 Our review only included Department applications beginning January 2019 because of the Department's record-retention schedule.

3 Our review of OAH documentation identified that the Department initially approved 1 application, but the Department's decision was appealed. During the OAH hearing, the administrative law judge issued a decision to deny the application because the Department did not have sufficient information to establish public need and did not determine the financial impact to other certificate holders in the proposed service area, and this decision became final.

4 According to AAC R9-25-1201(D), the Department must deem an application withdrawn if the applicant does not provide requested documentation within 60 days.

5 Our review of Department documentation did not identify if the applicant withdrew these applications or the Department deemed them withdrawn.

6 Our review of Department documentation identified that 1 of these applications was denied because the applicant could not demonstrate the financial integrity necessary to sustain their proposed services, and the Department determined the proposed service area did not have a public need.

Source: Auditor General staff review of Department and OAH documentation.

Question 4: How long did it take the Department to process initial certificate applications we reviewed in fiscal year 2025?

Our February 2026 review of all 6 initial applications the Department received in fiscal year 2025 found that the Department did not make a decision to approve or deny 4 of 6 applications within 180 days, as required by statute, taking at least 199 days to make its decision (see Question 1, page 23, for the Department's process for issuing or amending certificates).[11,12]

11 A.R.S. §36-2233(B).

12 One application was denied timely at 179 days, and the other application was still under review and had not surpassed 180 days as of our review in February 2026. In April 2026, the Department approved this application.

Specifically, as of our February 2026 review, the Department:

- Took 199 and 252 days, respectively, to approve 2 initial applications.
- Had not yet made final decisions on 2 initial applications that had been open for 245 and 255 days.[13]

Untimely decisions on initial certificate applications potentially delay public need being met or delay an applicant's ability to determine next steps on an application. Specifically, because initial certificate applications are intended to address the need for ambulance services, an untimely review process on an approved application can potentially delay the affected areas from receiving needed improvements in ambulance services (see Introduction, page 4, for more information on how the Department determines public need for certificate applications).[14] Additionally, an untimely review process for an application delays an applicant's ability to determine next steps, such as whether to appeal the Department's decision to deny the application or take any required steps to begin operating if approved.

The Department uses policies and procedures for processing initial certificate applications that have not been updated to reflect changes in time frames for processing initial certificate applications from the 2023 and 2024 statutory rule changes (see Introduction, pages 7 through 9, for more information on the statutory and rule changes). Additionally, these policies and procedures lack requirements to track and monitor the status of open certificate applications, and the Department used a tracking spreadsheet that did not include key information, which likely contributed to its untimely application processing.

For example, although the Department used a tracking spreadsheet for tracking and monitoring the status of open applications, this tracking spreadsheet:

- Tracked the due date of the next step in the process but did not track how long previously completed steps took or the overall number of days the application had been open.
- Had staff comments and dates on when prior steps were completed, but the dates were not always accurate, or some were missing for each step in the application.

By not accurately tracking each step in its process, including those already completed, and the overall time frame, staff may not be able to identify what steps are taking longer than expected and make adjustments to time frames for future steps to meet the overall time frame.

Additionally, as discussed in Finding 1 (see page 18), the Department reported that the December 2023 and March 2024 statutory and rule changes, including decreasing the number of days the Department has to process an application, as well as changes in multiple Bureau leadership and staff positions, including the Bureau chief, deputy Bureau chief, ambulance services section chief, and 3 other positions involved in application processing, since that time, impacted the Department's ability to comply with the new requirements.[15]

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[13] The Department approved 1 application in May 2026 and denied the other in March 2026 because it could not determine that there was a public need. The Department reported that as of July 2026, both applications were awaiting a hearing with OAH.

[14] A.R.S. §36-2242 states that the Department director may grant temporary authority to operate to an ambulance service, fire department, fire district, or fire authority if there is an immediate and urgent need for service in an area lacking adequate ambulance service. Our review of initial applications received in fiscal year 2025 found 1 of the applicants requested and was granted temporary authority to operate prior to their application approval.

[15] Prior to the revisions made by Laws 2022, Ch. 381, statute did not identify a time frame for the Department to make a determination on an initial application. Instead, AAC R9-25-1201 required a determination on an initial application to be made within 450 days.

The Department reported it plans to begin using a new information technology (IT) system to process initial certificate applications in December 2026.[16] It further reported that the new IT system will allow Department staff and leadership to track and monitor the status of certificate applications. Further, in October 2024, the Department contracted with a consultant to develop policies and procedures and associated training consistent with the December 2023 and March 2024 statutory and rule changes, but as of June 2026, it had not finalized policies and procedures or training documents. The initial contract required these deliverables by June 2025 but was later extended to December 2026. The Department reported that the contractor has required additional time to complete the contract due to unexpected delays and complications, such as needing additional time to work with Department IT teams to create the new IT system and loss of key Bureau staff, including the Bureau chief in December 2024.

Recommendations to the Department

14. Approve or deny all certificate-of-necessity initial applications within 180 days, as required by statute.

15. Develop and implement policies and procedures outlining the process for receiving, reviewing, and approving or denying initial certificate-of-necessity applications, including procedures for tracking and monitoring application-review progress and timeliness.

Department response: As outlined in its **response**, the Department agrees with the finding and will implement the recommendations.

Question 5: How does the Department determine whether certificate holders reasonably demonstrate a need for a GPS waiver?

According to statute, the Department is required to provide a GPS waiver to any certificate holder that can reasonably demonstrate it is unable to meet the statutory requirement to have a GPS-monitoring device in each vehicle to record response times (see Introduction, page 5, for more information on using GPS to calculate response times and Appendix A, page a-1 through a-15, for more information on which certificate holders had a GPS waiver during fiscal year 2025).[17] In order to determine certificate holders that can reasonably demonstrate their inability to have a GPS-monitoring device in each vehicle, the Department developed an application that requires certificate holders to indicate the reason(s) they are requesting a waiver, how many ambulances the waiver will apply to, and an estimated time frame for when the ambulance(s) will be in compliance with the GPS requirement. Additionally, the Department reported that a waiver is valid for 1 year. According to Department data, the Department received 32 applications for a GPS waiver in fiscal year 2025 and approved all of these applications.

Our review of a random sample of 7 of 32 Department-approved GPS waivers in fiscal year 2025 found that some of the reasons why certificate holders requested a waiver included:

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[16] The Department also reported that this IT system will also track amendment and renewal applications.

[17] A.R.S. §36-2232(C)(5).

- Certificate holders' inability to connect to Wi-Fi.
- GPS equipment had been ordered but was not yet delivered due to backorder.
- Cost of purchasing monitoring device(s) was too high.[18]

Although we did not identify any inconsistencies in the Department's approval of GPS waiver applications because it approved all 32 applications it received in fiscal year 2025, absent policies and procedures for receiving, evaluating, and either approving or denying the reasonability of a certificate holder's inability to have a GPS-monitoring device in each vehicle, the Department risks inconsistency in its reasonability assessment for certificate holders that submit an application.

Recommendation to the Department

16. Develop and implement policies and procedures for receiving, evaluating, and approving or denying GPS waiver applications, including its process for determining how a certificate holder can reasonably demonstrate it is unable to have a GPS-monitoring device in each vehicle.

Department response: As outlined in its **response**, the Department agrees with the finding and will implement the recommendation.

Question 6: What is the Department's process for handling informal and formal complaints it receives?

According to statute, the Department can receive complaints from customers when they are dissatisfied with a certificate holder or any matter related to the regulation of certificate holders, and statute outlines the Department's process to handle and investigate these complaints.[19]

Specifically, according to statute:

- **All complaints related to certificate holders are initially classified as informal until the Department determines if they are substantive or nonsubstantive**

  According to statute, all customer complaints are initially classified as informal.[20] The Department is required to notify the certificate holder within 15 days of receiving an informal complaint that a complaint was received, specify the alleged violation, and

Key terms

Substantive: Preponderance of evidence exists to lead a reasonable person to believe that the certificate holder violated statute or rule.

Nonsubstantive: Lack of preponderance of evidence to conclude that the certificate holder violated statute or rule.

Source: Department-reported definitions.

[18] Our review found that 1 hospital and 1 fire district indicated that the cost of purchasing monitoring device(s) was too high.

[19] A.R.S. §36-2245.

[20] A.R.S. §36-2245.

request the necessary documentation to investigate the complaint.[21,22] The Department reported it conducts its investigation using the documents it receives, which may involve reviewing relevant 911 dispatch calls, electronic patient-care reports, and billing records. The Department is then required to make a determination of whether the complaint is substantive or nonsubstantive within 45 days of receiving the requested documentation from the certificate holder (see key terms textbox, page 31, for more information).[23,24]

- **Informal complaints with a substantive determination or with a nonsubstantive determination that a complainant does not agree with are considered formal complaints**

  According to statute, if the Department determines a complaint is substantive or a complainant indicates disagreement with the Department's nonsubstantive determination, a complaint becomes formal.[25,26] Following the complaint becoming formal, statute requires the Department to inform the certificate holder of the specific violations it identified and allow the certificate holder to respond in writing.[27] The written response from the certificate holder may provide further information on the complaint and any potential corrective actions taken by the certificate holder. The Department may then take enforcement action against the certificate holder, ranging from a corrective action plan up to revocation (see Introduction, page 7, for more information on enforcement actions the Department may take).

Although statute outlines the above process and time frames for customer complaints, the Department also receives noncustomer complaints. The Department reported that it defines a customer as an entity that receives services from a certificate holder. Based on our review of Department documentation and Department-reported information, noncustomers include individuals or entities that did not receive services from a certificate holder. For example, this may include a member of the public who did not receive services from a certificate holder, such as a fire department or hospital, another certificate holder, or the certificate holder alerting the Department of a self-identified statutory or rule violation. To investigate noncustomer complaints, the Department follows the same complaint-handling process outlined in statute for customer complaints, such as making a substantive or nonsubstantive decision. However, it reported it does not follow the statutory time frames for noncustomer complaints, and it also has not established internal time frames for noncustomer complaints (see next question for more information about how long the Department took to notify certificate holders and investigate customer and noncustomer complaints we reviewed from fiscal year 2025).[28]

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21 A.R.S. §36-2245(C) requires the Department to notify the certificate holder and request documentation within 15 days of receiving the informal complaint.

22 Although statute requires certificate holders to provide the requested documentation to the Department in a timely manner, it does not outline a specific time frame for doing so.

23 A.R.S. §36-2245(D).

24 According to A.R.S. §36-2245(E), the Department must send its written decision if it determines the complaint is nonsubstantive to all parties within 5 days of its determination.

25 A.R.S. §36-2245.

26 As discussed in footnote 24, the Department must send all parties its written decision when a complaint is determined to be nonsubstantive. However, A.R.S. §36-2245 does not include a time frame that a complainant must submit their disagreement with the nonsubstantive decision. If the complainant does not submit disagreement to the nonsubstantive decision, the complaint is closed.

27 Although A.R.S. §36-2245(F) requires the Department to inform the certificate holder that the investigation was substantive and requires a response within 30 days, it does not include a time frame for the Department to issue this notification.

28 Statute only outlines time frames for customer complaints and does not define customer or noncustomer.

Question 7: How long did it take the Department to notify certificate holders of a complaint and investigate complaints we reviewed against certificate holders in fiscal year 2025?

Our review of a sample of 11 of 36 complaints the Department received in fiscal year 2025 found that the Department took between 2 and 125 days to notify certificate holders that it received a complaint and took between 0 and 239 days after receiving all necessary information from the certificate holder to investigate the complaint and make a determination of substantive or nonsubstantive (see Table 4, pages 35 through 36, for more information on how many days the Department took to notify and investigate these complaints).[29,30]

Specifically, the Department:

- **Did not notify certificate holders for 3 of 6 customer complaints we reviewed within the statutory time frame, taking between 35 and 62 days, but did investigate and make a determination for all 6 complaints we reviewed within the statutory time frame**

  As seen in Table 4, pages 35 through 36, for 3 of 6 complaints we reviewed that the Department identified as a customer complaint, the Department took between 35 and 62 days to notify the certificate holder of the complaint and request the necessary documentation to investigate the complaint, exceeding the statutory time frame of 15 days. Despite delays, we found that ultimately, the Department did comply with the statutory time frame to investigate and make a determination of substantive or nonsubstantive within 45 days of receiving the requested records for all 3 applicable customer complaints we reviewed.[31]

  Delaying the notification to certificate holders and thereby its process for receiving the information necessary to investigate, the Department risks being unable to timely investigate whether certificate holders have violated statute or rule, and it could hinder its ability to take timely corrective actions for any identified violations, including those alleging impacts to patient safety (see textbox, top of page 34, for an example of a Department-identified customer complaint we reviewed).

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29 As discussed in the Introduction, page 6, according to Department data, the Department received 35 complaints against certificate holders and 1 complaint against an ambulance service without a certificate, and these complaints included some from both customers and noncustomers.

30 Our sample included all 5 complaints the Department's complaint log identified as deemed substantive and a stratified random sample of 6 additional complaints. We identified these 6 complaints by randomly selecting 2 of 8 complaints the Department's complaint log identified were still open as of January 2026, 2 of 11 complaints the Department's complaint log identified were administratively closed, and 2 of 12 complaints the Department's complaint log identified as deemed nonsubstantive after an investigation. Of the 11 complaints we reviewed, 6 were considered customer complaints, and 5 were considered noncustomer complaints.

31 We could not assess the Department's timeliness for investigating and making a determination for the remaining 3 customer complaints. Specifically, in the first complaint, the Department closed the complaint because it did not identify a violation of statute or rule in its initial review of complaint documentation provided by the complainant; in the second complaint, the Department closed the complaint because it determined the complaint was a billing issue that was resolved by the certificate holder prior to the Department opening an investigation; and in the third complaint, the Department had not yet received the requested documentation to make its determination as of the time of our review. For more information on these 3 customer complaints, see Table 4, pages 35 through 36, customer complaints 1, 2, and 6.

Department did not timely notify certificate holder of customer complaint involving failure to treat a child

One customer complaint alleged that a certificate holder's emergency medical staff did not treat a child reporting neck pain and an inability to move their arms. The child was later diagnosed at a hospital as having a spinal cord injury that required brain and spinal surgery. The Department notified the certificate holder of this complaint and requested documentation to investigate 35 days after it received the complaint, 20 days longer than statute allows. The certificate holder provided the requested documentation 280 days later, and upon receiving the documentation, the Department determined the complaint was substantive within 7 days, taking 322 days in total.[1]

[1] As of July 2026, the Department had not determined whether to take enforcement action against this certificate holder.

Source: Auditor General staff review of Department complaint documentation.

- **Took between 6 and 125 days to notify certificate holders and between 7 and 239 days to investigate and make its determination for the 5 noncustomer complaints we reviewed**

As seen in Table 4, pages 35 through 36, for the 5 complaints we reviewed that the Department identified as a noncustomer complaint, we found that the Department took between 6 and 125 days to notify the certificate holder that a complaint has been filed and to request documentation for the investigation and took between 7 and 239 days to determine whether the complaint was substantive or nonsubstantive after it received necessary records.

Although these noncustomer complaints can still have public health and safety impacts and the Department follows the same process for complaint-handling that it does for customer complaints, the Department did not adhere to the established customer complaint time frames nor had it established alternative time frames to guide its noncustomer complaint process (see textbox, below, for an example of a Department-identified noncustomer complaint we reviewed). Without establishing time frames to guide its process for noncustomer complaints, the Department cannot ensure that these complaints, which can also have public health and safety impacts, are timely investigated.

Department took 125 days to notify certificate holder and request documentation after receiving a noncustomer complaint alleging failure to provide pain treatment to patient with gunshot wound

One noncustomer complaint included allegations from a fire department that a certificate holder transported a patient with a gunshot wound for over 30 minutes without providing pain treatment because the ambulance's medical drug box was not stocked. The Department notified the certificate holder of this complaint 125 days after it received the complaint and requested documentation. The certificate holder provided the requested documentation 33 days later, and upon receiving the documentation, the Department determined the complaint to be substantive within 7 days, taking 165 days in total.[1]

[1] Although it determined that the certificate holder's staff made a mistake in this instance, the Department determined that enforcement action against the certificate holder was not necessary because it determined there was no negligence.

Source: Auditor General staff review of Department complaint documentation.

Table 4

The Department took between 2 and 125 days to notify certificate holders of a complaint and between 0 and 239 days to make its determination of substantive or nonsubstantive

Complaint #	Days to notify certificate holder of complaint and request documentation[1]	Days to make determination of substantive or nonsubstantive[1]	Determination	Enforcement action taken[2]
Customer[3]				
1	N/A[4]	N/A[4]	N/A[4]	N/A[4]
2	N/A[5]	N/A[5]	N/A[5]	N/A[5]
3	2	0	Nonsubstantive	None
4	35	7	Substantive[6]	Unknown[6]
5	58	4	Nonsubstantive	None
6	62	N/A[7]	N/A[7]	N/A[7]
Noncustomer[3]				
7	6	161	Substantive	None[8]
8	16	44	Substantive	Corrective action plan
9	44	44	Substantive	Corrective action plan
10	57	239	Substantive	None[9]
11	125	7	Substantive	None[10]

1 As discussed in Question 6, pages 31 through 32, statute requires the Department to notify the certificate holder within 15 days of receiving an informal customer complaint that a complaint was received and request the necessary documentation to investigate the complaint and make a determination of whether the customer complaint is substantive or nonsubstantive within 45 days. However, the Department reported it does not follow the statutory time frames for noncustomer complaints, and it also has not established internal time frames for noncustomer complaints.

2 See Question 8, pages 37 through 38, for more information on our review of the Department's enforcement action taken for the complaints it substantiated.

3 The Department reported its classification of customer and noncustomer for each complaint.

4 The Department did not identify a violation of statute or rule in its initial review of complaint documentation provided by the complainant and therefore closed the complaint and did not notify the certificate holder of the complaint.

5 This complaint was a billing issue and was resolved by the certificate holder prior to the Department opening an investigation.

6 When we pulled our sample in January 2026, this complaint was still open (see footnote 30, page 33). The Department determined this complaint was substantiated by our review in February 2026; however, as of July 2026, the Department had not determined whether to take enforcement action against this certificate holder.

7 As of the time of our review in February 2026, the Department had not yet received the requested documentation to make its determination.

Table 4 continued

[8] The Department did not document a reason why it did not take enforcement action for this complaint in its complaint files.

[9] The Department did not take enforcement action for this complaint because the certificate holder stated that it had taken corrective actions to prevent future occurrences of similar violations.

[10] The Department did not take enforcement action for this complaint because it determined that although it was an oversight, there was no negligence by the certificate holder.

Source: Auditor General staff review of Department complaint documentation and interviews with Department staff.

Additionally, similar to other findings in our report (see Finding 1, page 18, and Question 4, page 29), the Department has not updated its policies and procedures to reflect its current processes for receiving, investigating, tracking, and monitoring complaints received against certificate holders, and it has not yet established time frames for noncustomer complaints, which likely contributed to its untimely handling of some complaints. Although the Department hired a contractor in 2024 to develop policies and procedures and related staff trainings, there have been several delays in the process (see Question 4, page 30, for more information regarding contractor delays).

Finally, as discussed in Finding 1 (see page 18), the Department reported that changes in multiple Bureau leadership and staff/contractor positions, including the Bureau chief, deputy Bureau chief, enforcement manager, assistant enforcement manager, and contracted investigators, since November 2023 has impacted the Department's effectiveness in timely investigating, tracking, and monitoring complaints received against certificate holders.

Recommendations to the Department

17. When a complaint is determined to be within its jurisdiction, notify certificate holders of customer complaints received, and request documentation from certificate holders within 15 days of receiving the complaint, as required by statute.

18. Develop and implement policies and procedures for receiving, investigating, tracking, and monitoring complaints received against certificate holders.

19. Develop and implement time frames for noncustomer complaints, by either adhering to statutory time frames for customer complaints or developing alternative time frames in Department policies and procedures.

Department response: As outlined in its **response**, the Department agrees with the finding and will implement the recommendations.

Question 8: Did the Department take consistent and appropriate enforcement actions against certificate holders with substantiated complaints during fiscal year 2025?

Although we did not identify the Department taking inconsistent or inappropriate enforcement actions against certificate holders with substantiated complaints during fiscal year 2025, the Department's files lacked supporting documentation to allow us to definitively conclude that it took consistent and appropriate actions for the complaints we reviewed. Specifically, our review of Department rules for complaint-enforcement actions found that they are consistent with NSAA-recommended practices for enforcement practices; however, we also found the Department did not document its consideration of all potentially aggravating/mitigating factors rule requires it to consider when determining the type of enforcement action to impose for the complaints we reviewed, limiting our ability to assess if it took consistent and appropriate enforcement actions (see textbox for more information on these factors and Finding 1, page 15, for more information on NSAA-recommended practices for enforcement actions).[32,33] For example, in 1 of these complaints, the Department documented the nature and severity of the violation as part of its complaint files but did not document its consideration of these and other factors, such as the frequency and nature of other complaints the Department received about the certificate holder or whether the violation was corrected. Instead, the Department's stated reasoning for not taking enforcement action was that it determined the incident was an unfortunate oversight with no negligence by the certificate holder, but these are not factors that are required to be considered in rule.

Rule identifies 7 factors the Department shall consider when determining the type of enforcement action to impose

- The severity of the violation relative to public health and safety.
- The number of violations relative to the certificate holder's annual transport volume.
- The nature and circumstances of the violation.
- Whether the violation was corrected, the manner of correction, and the time frame involved.
- The duration of each violation.
- The frequency and nature of complaints the Department received about a certificate holder.
- The impact of the penalty or assessment on the provision of ambulance response or transport in the certificate holder's service area.

Source: Auditor General staff review of AAC R9-25-911(C).

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[32] Our review included all 5 substantiated complaints that the Department received in fiscal year 2025 and had determined whether to take enforcement action on as of January 2026. As discussed in Table 4, footnote 6, page 35, when we pulled our sample in January 2026, 1 complaint was identified on the Department's tracker as still open but was substantiated by the Department prior to our review in February 2026. As of July 2026, the Department had not issued enforcement action against this certificate holder.

[33] Although we did not identify instances in which the Department took inconsistent enforcement actions against certificate holders for similar violations, only 2 of the 5 complaints we reviewed had similar violations, The Department substantiated complaints with similar allegations of expired registrations for ground ambulances against 2 certificate holders and put both certificate holders on a corrective action plan. We did not identify allegations of a similar nature for the other 3 substantiated complaints.

By not documenting its consideration of all aggravating and mitigating factors for taking or not taking enforcement actions, neither the Department nor we can determine if its decisions to take or not take enforcement action were appropriate and consistent. Further, without this documentation, the Department may negatively impact its credibility with certificate holders and risk potential litigation.

Similar to what we reported in Finding 1 (see page 18), Question 4 (see page 29), and Question 7 (see page 36), the Department has not developed policies and procedures for taking enforcement actions and documented its reasoning for either taking or not taking enforcement actions (see Question 4, page 30, for more information regarding the contractor's delays completing the policies and procedures).

Recommendation to the Department

20. Develop and implement policies and procedures for taking enforcement actions against certificate holders with an identified violation of statute or rule as a result of a complaint investigation, including documenting any aggravating and/or mitigating factors that were considered for any deviation when certificate holders have similar violations.

Department response: As outlined in its **response**, the Department agrees with the finding and will implement the recommendation.

Question 9: What were our prior findings related to the System, including any prior recommendations, and what is the status of those recommendations?

Our April 1999 performance audit determined that the System did not ensure ambulance coverage throughout the State and limited competition in the provision of ambulance services, and that the Department did not provide assurance of adequate care (see Introduction, page 9, for more information on the 1999 audit).[34,35] We made 3 recommendations related to this finding, including 1 recommendation to the Legislature and 2 recommendations to the Department.

The recommendations and their status of implementation as of this audit are that:[36]

- The Legislature should direct the Department to form a study group to evaluate various options to regulate ambulance services in Arizona. In April 2026, the Department reported it was not aware of any directive from the Legislature to form a study group.

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34 Arizona Auditor General report 99-6, *A Performance Audit of the Department of Health Services, Bureau of Emergency Medical Services*.

35 Our 1999 report also found that the Department did not adequately handle complaints against EMTs, paramedics, ambulance companies, and related entities, including a lack of appropriate staff training, long delays, and inadequate file tracking. See Questions 6 through 8, pages 31 through 38, for more information about our current review of the Department's complaint-handling process for certificate holders.

36 As of our 24-month followup of Report 99-6, published May 18, 2001, the Legislature had not directed the Department to form a study group to evaluate various options to regulate ambulance services in Arizona. Additionally, the Department was in the process of implementing our recommendation to use its regulatory authority to enforce quality controls, and the Department had implemented our recommendation to provide information regarding certificate holders and their service areas as lists or maps. Finally, we made 6 recommendations to the Department related to its complaint-handling policies and procedures, and our 24-month followup found that 5 of these were implemented and 1 was still in process.

- The Department should use its regulatory authority to enforce quality controls, such as response times if the current certificate of necessity regulatory system is continued. As previously discussed in Finding 1, pages 10 through 19, our current review found that the Department has not used certificate holder response times, as required, to ensure the public's needs were being met across the State, and we made several new recommendations to address this issue.

- The Department should provide information regarding certificate holders and their service areas as lists or maps. As of May 2026, the Department has a publicly available map on its website outlining certificate holder service areas.[37]

Question 10: Is the Department required to determine the necessity of services to issue certificates or licenses to other emergency medical services it regulates in Arizona, similar to ground ambulance services?

No, State laws and rules do not require the Department to determine the necessity of services to issue operating certificates or licenses to other emergency medical service providers in the State, such as air ambulances or hospitals, including those designated as trauma centers.[38,39,40] Specifically, unlike ground ambulance services, State laws and rules require the Department to issue air ambulance service licenses to all qualified applicants, regardless of need, and do not outline limits for the number of air ambulance service providers allowed to operate in the State.[41,42] Additionally, statute and rule require the Department to license and regulate all hospitals that meet licensing requirements to ensure public health, safety, and welfare and do not require the Department to make a determination of need or otherwise limit the number of hospitals the Department can license.[43]

Question 11: How does Arizona's licensing and regulation of ground ambulances compare to other states we reviewed, and what are some advantages and disadvantages to these regulatory practices, according to literature we reviewed?

Arizona's regulation of ground ambulances shares many key aspects with 5 other states we reviewed, and literature we reviewed has generally identified some advantages and

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37 https://www.azdhs.gov/gis/adhs-certificates-of-necessity/index.php.

38 Air ambulance operators must obtain an air ambulance service license from the Department and certificate of registration from the Arizona Department of Transportation for each aircraft used as an air ambulance.

39 The Department also regulates Emergency Medical Care Technicians (EMCT), including issuing certificates to qualified applicants and investigating complaints against certified EMCTs.

40 According to rule, the Department may designate a general hospital as a trauma center if the general hospital provides 24-hour dedicated trauma services and meets additional requirements such as establishing a trauma registry and a performance-improvement program.

41 A.R.S. §36-2213(7).

42 According to AAC R9-25-703(B)(2), air ambulances shall hold a valid air ambulance registration issued by the Arizona Department of Transportation to apply for a certificate of registration from the Department. AAC R9-25-805(C) requires air ambulances to undergo annual inspections to renew their registration that may be conducted by a Department-approved inspection facility.

43 A.R.S. §36-405(A) and AAC R9-10-102(A), (B), (C), and (E).

disadvantages for regulating emergency services.[44,45] Specifically, we reviewed and compared Arizona's regulation of ground ambulances with ground ambulance regulation in 5 other states—California, Florida, New Mexico, North Carolina, and Washington—and found that Arizona's regulatory model for ambulance services shares many key aspects with these 5 states but has some differences (see Table 5, pages 41 through 42, for a comparison of Arizona's and these states' regulatory practices).[46] Further, literature we reviewed identified specific advantages and disadvantages to some of the regulatory practices in use in Arizona and these 5 other states (see Figures 3 through 6, pages 43 through 45, for more information on the advantages and disadvantages according to literature we reviewed).

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[44] To review the advantages and disadvantages, we reviewed literature, including Cone, D. C., et al. (2010). Prehospital care and new models of regionalization. *Academic Emergency Medicine*, 17(12), 1337–1345. Retrieved 5/29/2026 from https://doi.org/10.1111/j.1553-2712.2010.00935.x; Alruwaili, A., & Alanazy, A. R. M. (2022). Prehospital time interval for urban and rural emergency medical services: A systematic literature review. *Healthcare*, 10(12), 2391. Retrieved 5/29/2026 from https://doi.org/10.3390/healthcare10122391; Alanazy, A. R. M., Fraser, J., & Wark, S. (2021). Organisational factors affecting emergency medical services' performance in rural and urban areas of Saudi Arabia. *BMC Health Services Research*, 21(562). Retrieved 5/29/2026 from https://doi.org/10.1186/s12913-021-06565-3; Conover, C. J., & Bailey, J. (2020). Certificate of need laws: A systematic review and cost-effectiveness analysis. *BMC Health Services Research*, 20(748). Retrieved 5/29/2026 from https://doi.org/10.1186/s12913-020-05563-1; Böbel, S., et al. (2025). Strengthening the WHO Emergency Care Systems Framework: Insights from an integrated, patient-centered approach in the Copenhagen Emergency Medical Services system—a qualitative system analysis. *BMC Health Services Research*, 25(401). Retrieved 5/29/2026 from https://doi.org/10.1186/s12913-025-12465-7; Norri-Sederholm, T., et al. (2015). Situational awareness and information flow in prehospital emergency medical care from the perspective of paramedic field supervisors: A scenario-based study. *Scandinavian Journal of Trauma, Resuscitation and Emergency Medicine*, 23(4). Retrieved 5/29/2026 from https://doi.org/10.1186/s13049-014-0083-x.

[45] We reviewed and compared Arizona's regulation of ground ambulances to 5 different states to provide some information on how other states have structured their regulatory practices. However, we did not conduct a review of other states' ground ambulance regulatory practices due to the complexity in how states across the country regulate ground ambulances.

[46] We judgmentally selected these 5 states due to regulatory practice differences or proximity to Arizona. Additionally, county governments in North Carolina establish their own ground ambulance systems, and as such, we reviewed state statutes and rules and local ordinances for Wake County, North Carolina, to provide information on a different regulatory practice. See Appendix C, pages c-2 through c-3, for more information on how these states were selected.

Table 5

Arizona's regulation of ground ambulances has some similarities and differences compared to 5 other states we reviewed

Question	Arizona	California	Florida	New Mexico	North Carolina (Wake County)[1]	Washington
Who issues license/ certificate? (State/ county/municipality)	**State**	County	State and county[2]	State	County	State
Once licensed/ certified, is response-time regulation done at the state, county, or local level?	**State**	County[3]	County[3]	Local[4]	County	State
Once licensed/ certified, is complaint handling done at the state, county, or local level?	**State**	County	State	State	County	State
Is there a designated operating area?	**Yes**	Yes[5]	Yes	Yes	Yes	Yes
Can this designated operation area be exclusive to 1 ambulance service?	**Yes**	Yes[5]	Yes	Yes	Yes	Yes
Is there a requirement to demonstrate need?	**Yes**	Yes[6]	Yes[7]	Yes	No[8]	No[9]
Can an entity intervene on a competitor's application?	**Yes[10]**	No[11]	No	Yes[12]	No[11]	No[13]

1 North Carolina statutes require counties to establish their own ground ambulance systems. We reviewed state statutes and rules and local ordinances for Wake County, North Carolina, to provide information on a different regulatory practice (see Appendix C, pages c-2 through c-3, for more information).

2 Ambulance services in Florida must obtain a license from the state to provide basic or advanced life support services and apply to obtain a certificate of necessity from each county in which the applicant plans to operate.

3 Each county in California and Florida may adopt specific response time requirements.

4 Cities or towns in New Mexico may adopt specific response time requirements.

Table 5 continued

[5] Local EMS agencies in California establish ground ambulance operating areas that must be approved by a state agency.

[6] Although California does not issue a formal certificate of necessity, it allows ambulance services to contract with a local county, and its state oversight agency is required to assess the need for additional ground ambulance services.

[7] Ambulance services in Florida must obtain a certificate of necessity for each county in which the ambulance services plan to operate. However, ambulance services in Forida that are at no cost to patients are not required to demonstrate need to obtain a certificate of necessity.

[8] In Wake County, North Carolina, the County EMS System may negotiate agreements for contracted EMS services.

[9] In Washington, the need for ambulance services is assessed at the regional level, and if a need is identified, ambulance service applicants may obtain a license to provide services in the specified area.

[10] For more information on who can intervene in Arizona, see Question 1, page 23.

[11] We did not identify any processes in laws and regulations in California and Wake County, North Carolina, that allow for entities' ability to intervene on a competitor's application.

[12] Any interested person or member of the public may provide information or object to any application for a certificate in New Mexico.

[13] Although we did not identify statutes that allow intervenors in the ambulance service-licensing process, the Washington Department of Health allows EMS and trauma care councils to provide comments during the application process.

Source: Auditor General staff review of Arizona, California, Florida, New Mexico, North Carolina, and Washington state statutes and/or ordinances; Department documentation; regulatory agency websites; and other publicly available information.

Our review and comparison of Arizona's regulation of ground ambulances with ground ambulance regulation in 5 other states found:

- **1 of 5 states we reviewed and Arizona regulate ground ambulances at the state level, 2 regulate ground ambulances at the county level, and 2 have a mixture of state, county, and local regulation of ground ambulances**

  Both Arizona and Washington issue licenses and certificates to operate ground ambulances, regulate response times, and process ambulance complaints at the state level. In comparison, California and North Carolina issue licenses and certificates to operate ground ambulances and may regulate response times and process ambulance complaints at the county level. Additionally, although Florida and New Mexico both issue licenses and certificates and process ambulance complaints at the state level, Florida also issues certificates at the county level.[47] Further, Florida and New Mexico may regulate response times at the county and local levels, respectively.

[47] In Florida, ambulance services must obtain a license from the state to provide basic or advanced life support services and apply to obtain a certificate of necessity from each county in which the applicant plans to operate.

Figure 3

Literature we reviewed identified some advantages and disadvantages for regulating ground ambulances, including issuing licenses and certificates, regulating response times, and processing complaints, at the state and local levels

Advantage	Disadvantage
Regulation at the state level can support uniform minimum standards and state-wide accountability.	Regulation at the state level may be insufficient for adapting to local-level needs.
Regulation at the local level can support tailored service to local geography and demand.	Regulation at the local level may create uneven standards and fragmented oversight.

Source: Auditor General staff review of Cone et al., 2010; Alruwaili & Alanazy, 2022; Alanazy, Fraser, & Wark, 2021.

All 5 states we reviewed and Arizona have designated operating areas for ground ambulance services, and in some cases, the area may be exclusive to 1 ground ambulance service provider

Like Arizona, all 5 states we reviewed designate specific geographic area(s) in which a licensed ground ambulance service may provide services, and in some cases, the ground ambulance service may have exclusive access to the designated operating area. For example, ground ambulance services in Arizona, New Mexico, and Washington propose operating areas during the application process where 1 or more ambulance services may operate based on application approval. Local agencies in California, with state approval, may create exclusive operating areas for ambulance services where 1 or more ambulance services may operate. In Wake County, North Carolina, and in counties within Florida, the service areas must be within the designated county.

Figure 4

Literature we reviewed has identified some advantages and disadvantages for having a designated operating area and for having an exclusive operating area for ground ambulance services

Advantage	Disadvantage
Designated operating areas can improve coverage planning by matching ground ambulances and hospitals to geography and demand. Exclusive areas can support more reliable and coordinated coverage and maintain the financial margins of a provider servicing rural or low volume areas.	Designated operating areas can create siloed systems that complicate routing patients to the most suitable care facility. Exclusive areas can weaken competition by restricting entry if the ground ambulance service is not actively managed through enforceable performance measures that determine if the exclusive area still matches patient demand and geography.

Source: Auditor General staff review of Cone et al., 2010; Alruwaili & Alanazy, 2022; Conover & Bailey, 2020; Böbel et al., 2025.

3 of 5 states we reviewed and Arizona require a demonstrated need for the proposed ground ambulance services compared to 2 states that do not

Arizona, California, Florida, and New Mexico require an identified need for ground ambulance services before issuing licenses or certificates (see Introduction, page 4, for more information about determining public need in Arizona). Similar to Arizona, Florida and New Mexico issue a certificate of necessity where the public need for ground ambulance services must be established before the ground ambulance service can operate.[48] Although California does not issue a formal certificate of necessity, it allows ambulance services to contract with a local county, and its state oversight agency is required to assess the need for additional ground ambulance services.[49]

In contrast, in Wake County, North Carolina, the County EMS System may negotiate agreements for contracted EMS services. Washington does not require a demonstrated need to issue a license, but a need is considered as part of the licensing process. For example, in Washington, whether there is a need for ambulance services is assessed at the regional level, and if a need is identified, ambulance service applicants may obtain a license to provide services in the specified area.[50,51]

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48 However, ambulance services in Forida that are at no cost to patients are not required to demonstrate need to obtain a certificate of necessity.

49 California's state oversight agency reported that the local EMS agencies assess the need for additional ambulance services and do so by considering factors such as ambulance call volume and response times, population and geographic factors, and input from local stakeholders.

50 Wake County, North Carolina issues permits to ambulance services that must be approved by the Wake County Board of Commissioners.

51 Washington licenses ambulance services that are consistent with the EMS state plan and approved regional plan.

Figure 5

Literature we reviewed identified some advantages and disadvantages for requiring a demonstrated need for proposed ground ambulance services

Advantage	Disadvantage
Requiring a demonstrated need requires providers to prove there is a legitimate unmet need for patients, which can prevent oversupply of ambulance services.	Requiring a demonstrated need can slow entry for new ambulance services and protect active ambulance services, which may reduce patient access to ambulance services and pose anticompetitive risks, raising healthcare costs for patients.

Source: Auditor General staff review of Conover & Bailey, 2020; Cone et al., 2010; Norri-Sederholm et al., 2015.

1 of 5 states we reviewed and Arizona allow other ground ambulance services to intervene and oppose an application or decision

Similar to Arizona where an intervenor may appeal a decision the Department made to issue an initial or amended certificate, New Mexico allows any interested person or member of the public to intervene and oppose a ground ambulance service application (see Question 2, pages 23 through 25, for more information about the intervenor process in Arizona). In contrast, California; Florida; Wake County, North Carolina; and Washington do not have a process that allows for existing ground ambulance services to intervene and oppose an application submitted by another potential ambulance service or the issuing of a license or certificate.

Figure 6

Literature we reviewed identified some advantages and disadvantages for allowing other ground ambulance services to intervene against applicants

Advantage	Disadvantage
Current ground ambulance services' ability to intervene in new applications may provide information that can assist regulators in evaluating available services for better allocation of resources, including in low-volume areas that may be destabilized by new ground ambulance services.	Current ground ambulance services' ability to intervene in new ambulance services allows current ambulance services to use administrative procedures to potentially block or delay entry to new ground ambulance services, which can limit competition for additional services and potentially increase healthcare costs.

Source: Auditor General staff review of Conover & Bailey, 2020; Cone et al., 2010; Norri-Sederholm et al., 2015.

The Arizona Auditor General makes 20 recommendations to the Department

Click on a finding, recommendation, or its page number to the right to go directly to that finding or recommendation in the report.

Recommendations to the Department

FINDING 1 — 10

1. Review and assess complete and accurate response time data from certificate holders. — 19

2. Establish emergent and nonemergent response time requirements for all certificate holders, consistent with recommended practices, including updating certificates for the certificate holders that do not have both emergent and nonemergent response time requirements through the certificate renewal process or when a certificate holder submits an amendment application. — 19

3. Upon establishing emergent and nonemergent response time requirements as outlined in recommendation 2, hold certificate holders accountable to their emergent and nonemergent response time requirements, as required by statute and Department rules. — 19

Ensure actions for certificate holders with similar violations for response time noncompliance are consistent or document its reasons for deviation, including aggravating or mitigating factors considered, consistent with recommended practices, including when:

4. Approving corrective actions submitted by certificate holders. — 19

5. Taking enforcement actions. — 19

6. Taking renewal actions for certificate holders that are on corrective action plans or under enforcement action. — 19

7. Ensure corrective and enforcement actions for certificate holders result in compliance with response time requirements or, as needed, take additional action(s) to ensure certificate holders comply with response time requirements. — 19

Develop and implement policies and procedures for implementing the System, including:

8. Reviewing and assessing certificate holders' complete and accurate response time data to determine compliance with their response time requirements. **20**

9. Establishing both emergent and nonemergent response time requirements for all certificate holders, including during its renewal process. **20**

10. Approving corrective actions submitted by certificate holders that are noncompliant with their response time requirements, such as when Bureau staff should approve a corrective action plan with a requirement to amend response time requirements, including requirements for documenting the factors considered in making the determination to approve the corrective actions. **20**

11. Taking enforcement actions against certificate holders in noncompliance with response time requirements and documenting aggravating and mitigating factors that were considered for any deviation when certificate holders have similar violations. **20**

12. Renewing certificate holders that are on a corrective action plan for response time noncompliance or have continued noncompliance with response time requirements following corrective or enforcement action, including specifying who can approve the renewal and the length of renewal. **20**

13. Revise its standard format for receiving response time data to obtain the information necessary to verify certificate holders' self-reported response time information for all required calls. **20**

QUESTIONS AND ANSWERS **21**

14. Approve or deny all certificate-of-necessity initial applications within 180 days, as required by statute. **30**

15. Develop and implement policies and procedures outlining the process for receiving, reviewing, and approving or denying initial certificate-of-necessity applications, including procedures for tracking and monitoring application-review progress and timeliness. **30**

16. Develop and implement policies and procedures for receiving, evaluating, and approving or denying GPS waiver applications, including its process for determining how a certificate holder can reasonably demonstrate it is unable to have a GPS-monitoring device in each vehicle. **31**

17. When a complaint is determined to be within its jurisdiction, notify certificate holders of customer complaints received, and request documentation from certificate holders within 15 days of receiving the complaint, as required by statute. **36**

18. Develop and implement policies and procedures for receiving, investigating, tracking, and monitoring complaints received against certificate holders. **36**

19. Develop and implement time frames for noncustomer complaints, by either adhering to statutory time frames for customer complaints or developing alternative time frames in Department policies and procedures. **36**

20. Develop and implement policies and procedures for taking enforcement actions against certificate holders with an identified violation of statute or rule as a result of a complaint investigation, including documenting any aggravating and/or mitigating factors that were considered for any deviation when certificate holders have similar violations. **38**

Department issued certificates to 105 certificate holders as of June 2026

As of June 2026, the Department has issued 105 certificates to ground ambulance service providers to provide ambulance services in areas across Arizona with an identified need. See Table 6, pages a-2 through a-15, for more information about each certificate holder, such as their organizational structure, region of operation, number of ground ambulances, whether the certificate holder had a GPS waiver during fiscal year 2025 based on Department data, and the number of calls and total operating revenue for either calendar or fiscal year 2024.[1]

[1] AAC R9-25-908 and AAC R9-25-909 require certificate holders to report information on a calendar or fiscal year basis. As such, the number of billable calls, total operating revenue, and net income/loss are based on the fiscal year or calendar year reported in each certificate holder's annual Ambulance Revenue and Cost Report submitted to the Department.

Table 6

There are 105 certificate holders that provide ambulance services across the State as of June 2026, according to Department data

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Action Medical Service, Inc. - Ganado[5]	90	For profit	2	Yes	Action Medical Service, Inc.	659	$805,794	$(240,993)
Action Medical Service, Inc. - Winslow[5]	104	For profit	5	Yes	Action Medical Service, Inc.	2,540	2,968,248	289,758
Ajo Ambulance, Inc.[5]	101	Nonprofit	15	Yes	N/A	2,554	5,263,247	1,978
Alliance Ambulance of Arizona, LLC, dba ABC Ambulance[5]	139	For profit	25	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	27,032	22,523,964	4,257,976
American Medical Response of Cochise County, LLC, dba Arizona Ambulance Transport, dba AMR, dba Life Line[5]	120	For profit	9	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	3,210	6,707,556	293,372

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
American Medical Response of Maricopa, LLC, dba American Medical Response, dba SW General Inc., Southwest Ambulance, dba Southwest Ambulance and Rescue of Arizona[5]	136	For profit	151	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	82,188	77,712,909	(2,587,528)
Arivaca Fire District[6]	134	Fire district	2	No	N/A	125	120,967	(31,291)
Avra Valley Fire District[6]	5	Fire district	6	No	N/A	1,455	1,784,859	(747,900)
Baker Emergency Medical Services, Inc.[5]	131	For profit	4	No	N/A	299	463,407	11,573
Beaver Dam/ Littlefield Fire District[6]	124	Fire district	4	Yes	N/A	545	623,504	(195,742)
Bisbee Fire Department[6]	100	Municipality	5	Yes	N/A	859	915,580	708,694
Blue Ridge Fire District[6]	128	Fire district	2	Yes	N/A	101	168,008	(421,393)

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Buckeye Valley Rural Volunteer Fire District[6]	8	Fire district	22	No	N/A	8,308	13,110,417	0
Bullhead City Fire Department[6]	39	Fire district	13	No	N/A	6,618	6,273,247	(1,840,414)
Casa Grande, City of[6]	156	Fire district	6	No	N/A	841	926,570	0
Central Arizona Fire and Medical Authority[7]	158	Fire district	4	No	N/A	Unknown	Unknown	Unknown
Chandler Fire Department[8]	162	Fire district	1	No	N/A	N/A	N/A	N/A
Cobre Valley Regional Medical Center, dba Town of Kearny Ambulance Service[5]	23	Hospital	2	Yes	N/A	348	482,113	(174,386)
Colorado City Fire Department[6]	22	Fire district	5	Yes	N/A	299	424,323	(217,404)
Copper Canyon Fire & Medical District[6]	3	Fire district	5	Yes	N/A	2,157	2,818,327	0
Critical Air Response Enterprises, LLC[5]	152	For profit	1	No	N/A	45	47,625	25,101

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Daisy Mountain Fire District[6]	105	Fire district	7	No	N/A	3,927	3,853,306	0
Douglas, City of[6]	32	Municipality	5	No	N/A	1,824	1,796,677	0
Drexel Heights Fire District[6]	11	Fire district	8	No	N/A	3,520	3,337,286	0
Elfrida Ambulance Service[6]	17	Fire district	2	Yes	N/A	196	209,305	368,736
Eloy Fire District[6]	13	Fire district	7	No	N/A	2,175	3,355,156	0
Flagstaff Medical Center, dba Guardian Medical Transport[6]	26	Hospital	20	No	N/A	14,515	18,100,321	2,752,698
Forest Lakes Fire District[6]	29	Fire district	2	Yes	N/A	76	116,427	0
Fort Mojave Mesa Fire Department[6]	82	Fire district	7	No	N/A	2,252	2,688,297	(1,989,751)
Fry Fire District[6]	18	Fire district	6	No	N/A	2,049	1,807,039	0
Gila Bend, Town of[6]	78	Municipality	4	No	N/A	299	826,680	29,818
Gilbert Fire and Rescue Department[6]	149	Municipality	11	No	N/A	10,290	8,408,998	1,455,169

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Golden Shores Fire Department[6]	40	Fire district	2	No	N/A	181	180,912	(574,972)
Golder Ranch Fire District[6]	56	Fire district	12	No	N/A	7,119	5,798,162	(324,569)
Goodyear, City of[6]	154	Fire district	7	No	N/A	1,089	598,384	0
Greenlee County Ambulance Service[6]	84	For profit	6	No	N/A	458	423,563	996,897
Healthcare Innovations, Inc.[5]	103	For profit	12	No	N/A	4,184	5,805,243	43,261
Heber-Overgaard Fire District[6]	4	Fire district	4	No	N/A	591	1,024,285	0
Holbrook E.M.S., Inc.[5]	88	Nonprofit	5	Yes	N/A	1,516	2,522,862	44,433
Kane County Hospital[8]	160	Hospital	4	No	N/A	N/A	N/A	N/A
Lake Havasu City[6]	159	Fire district	5	No	N/A	168	0	(177,149)
Lake Mohave Ranchos Fire District[6]	99	Fire district	4	No	N/A	399	701,215	0

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Life Line Ambulance Service, Inc.[5]	62	For profit	40	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	11,576	18,811,074	(1,620,231)
Maricopa Ambulance[5]	147	For profit	104	No	Priority Ambulance	104,291	94,616,116	13,571,218
Mayer Fire District Ambulance Service[6]	117	Fire district	3	No	N/A	933	928,922	0
Mesa, City of[6]	140	Municipality	33	No	N/A	26,378	19,697,094	(799,281)
Mohave Valley Fire Department[6]	38	Fire district	6	No	N/A	977	1,005,432	(2,260,445)
Nogales, City of[6]	30	Municipality	6	No	N/A	1,973	2,400,985	(1,106,394)
North County Fire & Medical District[6]	114	Fire district	9	No	N/A	6,342	5,217,595	0
Northwest Fire District[6]	138	Fire district	11	No	N/A	4,695	4,567,320	0
Page Fire Department[6]	102	Municipality	5	No	N/A	1,055	1,014,620	0
Peoria Fire & Medical Dept dba City of Peoria[6]	146	Municipality	9	No	N/A	10,183	10,822,301	0
Phoenix, City of[5]	76	Municipality	50	No	N/A	101,286	87,436,736	20,368,091

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Picture Rocks Fire District[6]	52	Fire district	4	Yes	N/A	617	893,843	47,029
Pine-Strawberry Fire District[6]	81	Fire district	3	Yes	N/A	360	684,108	0
Pinetop Fire District[6]	96	Fire district	5	Yes	N/A	754	1,394,665	0
Pinewood Fire Department[6]	2	Fire district	2	No	N/A	193	112,601	(1,892,543)
Ponderosa Aviation, Inc., dba Ponderosa Ground Ambulance[5]	155	For profit	1	Yes	N/A	303	137,355	83,090
Priority Ambulance Yavapai, LLC[5]	153	For profit	14	No	Priority Ambulance	11,163	16,518,490	664,095

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Professional Medical Transport, Inc., dba PMT Ambulance, dba, Life Line Ambulance, dba Comtrans Ambulance Service, Inc., dba Promed Transport, dba American Comtrans, dba American Medical Response[5]	71	For profit	27	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	22,965	20,989,752	3,164,396
Puerco Valley Ambulance[6]	116	Fire district	4	Yes	N/A	716	5,247	(1,192,258)
Queen Creek Fire and Medical Department[6]	144	Municipality	6	No	N/A	1,080	775,205	0
R/M Arizona Holdings, Inc., dba Canyon State Ambulance, dba Lifestar EMS, dba Life Line Ambulance[5]	58	For profit	7	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	3,626	5,469,956	598,743
Rincon Valley Fire District[6]	92	Fire district	5	No	N/A	1,196	1,467,956	0

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Rio Rico Fire District[6]	20	Fire district	11	Yes	N/A	1,950	2,237,869	(3,160,210)
Rio Verde Fire District[6]	143	Fire district	2	No	N/A	313	317,784	0
River Medical, Inc.[5]	94	For profit	43	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	22,253	33,425,700	2,987,829
Rural/Metro Corporation (Maricopa), dba Rural/Metro Ambulance Service, dba Arizona Medical Transport[5]	109	For profit	2	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	4,050	3,524,391	(1,075,400)
Rural/Metro Corporation (Pima)[5]	55	For profit	8	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	8,795	9,130,080	(3,377,299)
Rural/Metro Corporation (Pinal), dba Tri-City Med[5]	87	For profit	1	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	525	890,615	(204,211)

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Rural/Metro Corporation (Yuma), dba Rural/Metro Ambulance Service[5]	65	For profit	15	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	11,301	18,020,323	3,541,201
Rural/Metro Fire Department, Inc., dba Rural Metro Fire[8]	161	For profit	9	No	N/A	N/A	N/A	N/A
San Carlos Apache Tribe - Emergency Medical Services[9]	151	Tribal	12	Yes	N/A	4,811	3,066,255	(5,177,878)
San Luis Fire Department, City of[6]	142	Municipality	7	No	N/A	4,526	3,645,649	231,745
Santa Rita Fire District[6]	150	Fire district	8	No	N/A	2,456	2,895,072	0
Scottsdale, City of[7]	157	Fire district	9	No	N/A	Unknown	Unknown	Unknown
Sedona Fire District[6]	1	Fire district	6	Yes	N/A	2,758	3,666,878	0
Sierra Vista Fire Department[6]	24	Municipality	9	No	N/A	4,733	3,348,052	0

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Snowflake/Taylor Ambulance Service[6]	47	Municipality	6	Yes	N/A	1,463	2,041,974	0
Somerton, City of[6]	79	Municipality	3	No	N/A	1,380	1,435,408	(322,618)
Sonoita-Elgin Ambulance[6]	132	Fire district	3	Yes	N/A	306	379,616	0
South County Fire and Medical District[6]	12	Fire district	3	No	N/A	2,007	1,914,097	0
Southwest Ambulance of Casa Grande, Inc.[5]	85	For profit	32	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	23,600	34,449,010	3,895,158
Southwest Ambulance of Tucson, Inc., dba Kord's Southwest, dba American Medical Response, dba AMR[5]	54	For profit	59	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	62,839	62,201,572	17,028,140

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Southwest Ambulance Service of Southeastern Arizona, Inc., dba Southwest Ambulance of Safford, dba Life Line Ambulance[5]	63	For profit	4	No	American Medical Response, Inc.; Envision Healthcare Holdings, Inc.	2,856	4,423,294	942,719
St. Johns Emergency Services[6]	36	Municipality	6	Yes	N/A	888	1,126,002	(242,180)
Sun City Fire District[6]	145	Fire district	6	No	N/A	7,587	4,849,563	0
Sunsites-Pearce Fire District[6]	33	Fire district	3	No	N/A	344	454,390	(156,143)
Superior, Town of[6]	125	Municipality	3	Yes	N/A	400	448,750	(215,965)
Superstition Fire & Medical District[6]	137	Fire district	7	No	N/A	6,499	4,702,364	0
Surprise Fire-Medical Department[6]	141	Municipality	10	No	N/A	12,098	9,445,665	2,237,124
Tempe, City of, dba Tempe Fire Medical Rescue[6]	148	Municipality	9	No	N/A	12,746	12,735,072	675,739

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
Three Points Fire District[6]	122	Fire district	2	No	N/A	596	703,419	(1,073,784)
Timber Mesa Fire District, dba Lakeside FD[6]	111	Fire district	14	No	N/A	4,800	7,754,953	0
Tonto Basin Fire District[6]	112	Fire district	4	Yes	N/A	320	513,165	0
Tri-City Fire District Ambulance[6]	126	Fire district	5	Yes	N/A	2,454	3,489,616	(844,397)
Tri-Valley Ambulance Service, Inc.[5]	35	Nonprofit	2	No	N/A	497	648,210	6,263
Tubac Fire District Ambulance[6]	6	Fire district	5	Yes	N/A	657	972,676	0
Tucson Fire Department[6]	108	Municipality	35	No	N/A	17,563	18,286,970	(13,289,046)
Verde Valley Ambulance Service, Inc.[5]	49	Nonprofit	8	Yes	N/A	4,026	4,697,201	870,335
Verde Valley Fire District[6]	123	Fire district	4	Yes	N/A	1,247	921,799	(2,432,356)
Whetstone Fire District[6]	119	Fire district	3	Yes	N/A	400	222,962	5,998

Table 6 continued

Name	Certificate #	Organizational structure	Number of ground ambulances[1]	GPS waiver for FY 2025[2]	Affiliated organizations, if applicable[3]	Number of billable calls[4]	Total operating revenue[4]	Net income (loss)[4]
White Mountain Ambulance Services[5]	64	Nonprofit	6	Yes	N/A	1,235	1,660,803	(158,435)
Williamson Valley Fire District[6]	135	Fire district	3	No	N/A	197	460,185	0
Yuma, City of[6]	133	Municipality	10	No	N/A	5,950	6,688,929	812,704

1 The number of ground ambulances listed is as of December 24, 2025, except for certificate holders 38, 63, 90, 108, 125, 151, and 152, which are as of April 20, 2026, and certificate holder 162, which is as of July 20, 2026.

2 Some certificate holders' GPS waivers may be for some and not all of the certificate holders' ground ambulances.

3 The affiliated organization listed is based on information the certificate holder disclosed in its annual Ambulance Revenue and Cost Report submitted to the Department and represents affiliated organizations that have at least 5% ownership in the certificate holder.

4 AAC R9-25-908 and AAC R9-25-909 require certificate holders to report information on a calendar or fiscal year basis. As such, the number of billable calls, total operating revenue, and net income/loss are based on the fiscal year or calendar year reported in each certificate holder's annual Ambulance Revenue and Cost Report submitted to the Department.

5 The number of billable calls, total operating revenue, and net income/loss reported for these certificate holders are for calendar year 2024 because that was the most recent information available on the Department's website as of our December 2025 review.

6 The number of billable calls, total operating revenue, and net income/loss reported for these certificate holders are for fiscal year 2024 because that was the most recent information available on the Department's website as of our December 2025 review.

7 Although these certificate holders received a certificate in fiscal year 2024, our December 2025 review did not identify an annual Ambulance Revenue and Cost Report for these certificate holders for fiscal or calendar year 2024. The Department reported that these certificate holders did not provide an annual Ambulance Revenue and Cost Report because they were not required to until the next fiscal year because they were not operating for the entire fiscal year. As such, the number of billable calls, total operating revenue, or net income/loss for these certificate holders during fiscal year 2024 are unknown.

8 These certificate holders did not operate ground ambulances in fiscal or calendar year 2024.

9 The information on the number of billable calls, total operating revenue, and net income/loss reported for San Carlos Apache Tribe Emergency Medical Services is for federal fiscal year 2024, October through September.

Source: Auditor General staff review of certificate holder's calendar year or fiscal year 2024 annual revenue and cost reports and Department's Geographic Information System Applications map on its website.

Examples of response time compliance reports from certificate holders

As previously discussed in the Introduction (see pages 4 through 6), the Department receives response time compliance information from certificate holders on an annual basis in a Department-provided format. Below are 3 examples of reports provided to the Department in December 2025 by certificate holders with different response time requirements, which we redacted to remove the certificate holder's identifying information (see Finding 1, pages 13 through 15, for issues we identified with the Department's inconsistent response time requirements). Each report includes the certificate holders' response time requirements compared to the percentages the certificate holder reported they achieved.

Example 1—Response time report for a certificate holder with requirements only for emergent calls

[redacted]
Response Time Analysis
Fiscal Year 24/25
(July 1, 2024-June 30, 2025)

Current ADHS Response Time Requirements
Ten (10) minutes on ninety (90) percent of all emergency (lights and sirens) ambulance calls.
Fifteen (15) minutes on ninety-five (95) percent of all emergency (lights and sirens) ambulance calls.
Twenty (20) minutes on ninety-eight (98) percent of all emergency (lights and sirens) ambulance calls.

Actual Results Achieved during FY 24/25
Ten (10) minutes on ninety-one-point-eight-five (91.85) percent of all emergency (lights and sirens) ambulance calls.
Fifteen (15) minutes on ninety-eight-point-five-six (98.56) percent of all emergency (lights and sirens) ambulance calls.
Twenty (20) minutes on ninety-nine-point-eight-eight (99.88) percent of all emergency (lights and sirens) ambulance calls.

Example 2—Response time report for a certificate holder with separate requirements for emergent calls (code 3) and nonemergent calls (code 2)

[redacted]

Response Time Analysis:

Certificate Requirements:

Code Two (2) Calls:

a. Thirty (30) minutes on
One Hundred (100) percent
of ambulance calls

Code Three (3) Calls:

a. Ten (10) minutes on eighty (80)
percent of all ambulance calls
b. Fifteen (15) minutes on ninety (90)
percent of all ambulance calls
c. Twenty (20) minutes on ninety-nine (99)
percent of all ambulance calls

Actual Response Time Performance: 7/1/2024 – 6/30/2025

Code Two (2) Calls:

a. Thirty (30) minutes on
One Hundred (100) percent
of all ambulance calls

Code Three (3) Calls:

a. Ten (10) minutes on eighty (80)
percent of all ambulance calls
b. Fifteen (15) minutes on ninety (90)
percent of all ambulance calls
c. Twenty (20) minutes on ninety-nine (99)
percent of all ambulance calls

Example 3—Response time report for a certificate holder with the same requirements for emergent and nonemergent calls

[redacted] **Response Time Analysis: Fiscal Year July 2024 – June 2025**

Certificate CON [redacted]	**Actual percentage during the last 12 months**
Response Times:	
a. 8 (#) minutes on 68 (#) percent of all ambulance calls.	a. 8 (#) minutes on 74 (#) percent of all ambulance calls.
b. 11 (#) minutes on 77.5 (#) percent of all ambulance calls.	b. 11 (#) minutes on 81 (#) percent of all ambulance calls.
c. 15 (#) minutes on 87 (#) percent of all ambulance calls.	c. 15 (#) minutes on 94 (#) percent of all ambulance calls.
d. 30 (#) minutes on 94 (#) percent of all ambulance calls.	d. 30 (#) minutes on 97 (#) percent of all ambulance calls.
e. 42 (#) minutes on 100 (#) percent of all ambulance calls.	e. 42 (#) minutes on 100 (#) percent of all ambulance calls.

Scope and methodology

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

We used various methods to address the audit's objectives. These methods included reviewing applicable State statutes and rules; recommended practices published by the National State Auditor's Association; the Department's website; reports and documentation submitted to the Department by certificate holders; and interviewing Department staff.[1]

Additionally, we used the following specific methods to meet the audit objectives:

- To determine whether the Department used certificate holder response times to determine whether ambulance service needs were being met across the State in fiscal year 2025, we reviewed:
  - A random sample of 10 of 49 certificate holders' response time reports and supplemental information, when available, that were submitted to the Department by certificate holders for fiscal year 2025 and that the Department determined were compliant with response time requirements.[2] We compared the Department's assessment of these certificate holders' reported response time compliance with the response time requirements listed on the certificate holders' certificates and, when available, reviewed any supplemental information the certificate holders provided to the Department. Additionally, we compared 1 certificate holders' report and supplemental information to the requirements on their certificates and the certificate holders' HB2609 report on the Department's website to determine approximately how many nonemergent calls it did not report in its response time-compliance report.[3]
  - Response time requirements on all 103 Department-issued certificates as of December 2025 to identify whether the Department established consistent response time requirements.
  - Response time reports, corrective action plans, and quarterly corrective action plan response time reports for all 14 certificate holders required to submit a corrective action plan to the Department in fiscal year 2025 because of response time

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1 National State Auditors Association. (2004). *Carrying out a state regulatory program: A National State Auditors Association best practices document*. Retrieved 7/16/2026 from https://www.nasact. org/files/News_and_Publications/White_Papers_Reports/ NSAA%20Best%20 Practices%20Documents/2004_Carrying_ Out_a_State_Regulatory_Program.pdf

2 We identified the 49 response time reports using the Department's spreadsheet it used to document whether the 65 response time reports submitted by certificate holders for fiscal year 2025 were compliant. We did not include 16 of 65 response time reports that the Department determined showed noncompliance by the certificate holders because our review focused on whether the Department was accurately determining certificate holders' compliance with response times.

3 HB2609 reports include response time data broken down by urbanicity, such as rural and urban, and are statutorily required to be annually submitted by certificate holders to the Department.

noncompliance in fiscal year 2024. Additionally, to determine whether certificate holders came into compliance with response times while on a corrective action plan, we compared these 14 certificate holders' fourth-quarter corrective action plan response time reports to their response time requirements and determined whether the certificate holders had come into compliance with their requirements.

- The corrective actions the Department approved and the renewal actions the Department took in response to the certificate holders that did not come into compliance with their response time requirements at the end of their corrective action to determine whether the Department's approved corrective actions were consistent and effective.

- To obtain information for the Questions and Answers, we:

  - Reviewed publicly available documentation on OAH's website related to initial and amendment certificate applications heard by OAH in fiscal years 2021 through 2025.[4]

  - Reviewed all 6 initial certificate applications the Department received in fiscal year 2025 to assess whether it timely processed the applications in accordance with statutory requirements.

  - Reviewed a sample of 11 of 36 complaints the Department received in fiscal year 2025 to assess whether it investigated the complaints within the statutory time frames.

    Our sample included selecting all 5 complaints the Department's complaint log identified as substantive and randomly selecting:

    - 2 of 8 complaints the Department's complaint log identified were still open as of January 2026.

    - 2 of 11 complaints the Department's complaint log identified were administratively closed.[5]

    - 2 of 12 complaints the Department's complaint log identified as nonsubstantive.

  - Reviewed Arizona Auditor General report 99-6 *A Performance Audit of the Department of Health Services, Bureau of Emergency Medical Services*.

  - Judgmentally selected 5 states—California, Florida, New Mexico, North Carolina, and Washington—and reviewed applicable state statutes and/or local ordinances relating to the regulation of ground ambulances and information and documents available on these states' applicable websites.[6] We selected California, Florida, North Carolina, and

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4 We reviewed fiscal years 2021 through 2025 based on availability of public information and OAH's 3-year records-retention schedule.

5 The Department reported it administratively closes a complaint if it determines the complaint does not involve a rule violation.

6 We reviewed and compared Arizona's regulation of ground ambulances to 5 different states to provide some information on how other states have structured their regulatory practices. However, we did not conduct a review of other states' ground ambulance regulatory practices due to audit resources and the complexity in how states across the country regulate ground ambulances.

Washington because of the differences in regulating ground ambulances. For North Carolina, we reviewed state statutes and rules and local ordinances for Wake County, North Carolina, to provide information on a different regulatory practice because regulatory decisions are determined at the county level in North Carolina. We also selected New Mexico based on its geographic proximity to Arizona. Additionally, to identify specific advantages and disadvantages relating to the regulation of ground ambulances, we reviewed applicable peer-reviewed literature.[7]

- To obtain information for Appendix A, we reviewed all 105 Department-issued certificates as of June 2026, the Department's Certificate of Necessity Service Area Viewer on its website, Department documentation of the number of ambulances registered to the certificate holder, and the certificate holders' Ambulance Revenue and Cost Reports for either calendar or fiscal year 2024 where applicable.[8]

- To obtain additional information for the Introduction, we reviewed:

  - A map of certificate holders on the Department's website, a map of federal lands on the ArcGIS website, and map of American Indian reservations on the Department's website, as of June 2026.[9]

  - Laws 2022, Ch. 381.

  - Arizona Administrative Register, Volume 30, Issue 13.

  - Department-reported information related to staffing and vacancies for the Bureau and staff who help with regulation of ground ambulances.

  - Conflict-of-interest forms and personnel files for the assistant director and 8 Bureau staff members responsible for overseeing the System.

Our work on internal controls included, where applicable, reviewing the Department's reported processes and testing the Department's compliance with these processes, and assessing the Department's compliance with State statutes and rules. We reported on our conclusions on applicable internal controls in Finding 1 and Questions 4, 5, 7, and 8 in our Questions and Answers section.

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7 Cone, D. C., et al. (2010). Prehospital care and new models of regionalization. *Academic Emergency Medicine*, 17(12), 1337–1345. Retrieved 5/29/2026 from https://doi.org/10.1111/j.1553-2712.2010.00935.x; Alruwaili, A., & Alanazy, A. R. M. (2022). Prehospital time interval for urban and rural emergency medical services: A systematic literature review. *Healthcare*, 10(12), 2391. Retrieved 5/29/2026 from https://doi.org/10.3390/healthcare10122391; Alanazy, A. R. M., Fraser, J., & Wark, S. (2021). Organisational factors affecting emergency medical services' performance in rural and urban areas of Saudi Arabia. *BMC Health Services Research*, 21(562). Retrieved 5/29/2026 from https://doi.org/10.1186/s12913-021-06565-3; Conover, C. J., & Bailey, J. (2020). Certificate of need laws: A systematic review and cost-effectiveness analysis. *BMC Health Services Research*, 20(748). Retrieved 5/29/2026 from https://doi.org/10.1186/s12913-020-05563-1; Böbel, S., et al. (2025). Strengthening the WHO Emergency Care Systems Framework: Insights from an integrated, patient-centered approach in the Copenhagen Emergency Medical Services system—a qualitative system analysis. *BMC Health Services Research*, 25(401). Retrieved 5/29/2026 from https://doi.org/10.1186/s12913-025-12465-7; Norri-Sederholm, T., et al. (2015). Situational awareness and information flow in prehospital emergency medical care from the perspective of paramedic field supervisors: A scenario-based study. *Scandinavian Journal of Trauma, Resuscitation and Emergency Medicine*, 23(4). Retrieved 5/29/2026 from https://doi.org/10.1186/s13049-014-0083-x.

8 The Department does not require a uniform reporting period for all certificate holders. AAC R9-25-908 and AAC R9-25-909 require certificate holders to provide their annual response-time-compliance reports and annual Ambulance Revenue and Cost Reports on either a fiscal or calendar year basis.

9 ArcGIS Location Platform is a service that provides direct access to location services and integrates location intelligence using a complete set of mapping tools.

We selected our audit samples to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing using these samples were not intended to be projected to the entire population.

When relying on Department-provided data to support our findings and conclusions, we performed certain tests to ensure the data was sufficiently valid, reliable, and complete to meet the audit objectives. Unless otherwise noted, we determined the Department-provided data was sufficiently valid, reliable, and complete for audit purposes.

We conducted this performance audit of the Department in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We express our appreciation to Director Johnston and Department staff for their cooperation and assistance throughout the audit.

The subsequent pages were written by the Department to provide a response to each of the findings and to indicate its intention regarding implementation of the recommendations resulting from the audit conducted by the Arizona Auditor General.

ARIZONA DEPARTMENT OF HEALTH SERVICES

Lindsey A. Perry
Auditor General
Office of the Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85045

Dear Auditor General Perry,

Thank you for the opportunity to review the report of the *Performance Audit of the Arizona Department of Health Services Ground Ambulance Regulation* conducted as part of the Sunset Review prescribed in Arizona Revised Statutes 41-2951 et seq.

The findings and recommendations contained in your report have been carefully reviewed by the staff at the Arizona Department of Health Services (ADHS), and in accordance with the instructions provided in your October 9th letter.

The ADHS greatly appreciates the hard work, professionalism, and collaboration of your team during the audit period. We have appreciated the opportunity to receive feedback and valuable insights from you and your team during the audit process and in your final findings and recommendations. During fiscal year 2025, the Department navigated significant operational challenges, including a substantial transition in leadership and staffing within the Bureau of EMS and Trauma System (BEMSTS) that coincided with shortened statutory review timeframes.

We recognize the critical importance that emergency services play in our state and healthcare system and are committed to and appreciate the opportunity to work on process improvements to ensure a high standard of service for all Arizonans.

Sincerely,

Debbie Johnston
Debbie Johnston (Oct 19, 2026 15:51:12 PDT)

Debbie Johnston
Director

Note: As instructed, to comply with the Joint Legislative Audit Committee's procedures, the ADHS final response can be found below. As instructed the Department has provided 1 statement for each recommendation within the provided template. Statement options are: the audit recommendation will be implemented; the audit recommendation will be implemented in a different manner; the audit recommendation will not be implemented.

Finding 1: Department has not effectively regulated certificate holder response times to ensure public needs are met across the State, as required by statute; therefore, System effectiveness cannot be determined, and public health may be at risk.

Department response: The Auditor General's finding is agreed to.

Response explanation: The Department agrees that annual response time reporting requirements have not been consistently implemented and monitored. The Department appreciates the acknowledgment that several factors have contributed to this including significant changes in rules related to response time reporting effective just months prior to fiscal year 2025 and substantial staff turnover including leadership responsible for developing the Bureau of EMS and Trauma System (BEMSTS) policies and procedures and processing Certificate of Necessity (CON) applications and complaints as well as changes to legal representation.

In relation to Issue Number 2 (page 13 of report) and the Department's plan to address standard language outlined on page 15, the Department would like to emphasize that it would not have been possible for all certificates to have standard language including emergent and nonemergent response times in fiscal year 2025 given the department's authority to change response times is limited to the renewal process and/or through a CON requested amendment. Additionally, the Department would like to reiterate that the Bureau of EMS and Trauma System (BEMSTS) monitors response times statewide using dispatch records reported to the department in the Arizona Pre-Hospital Information & EMS Registry System (AZ-PIERS) and publishes this data annually on its EMS incidents dashboard for quality assurance purposes. It should be noted that this data showed that 90 percent of all 911 responses in Arizona for calendar year 2024 (fiscal year 2025) arrived within 15 minutes. The Department acknowledges that statewide performance may not reflect every individual CON service area and is committed to improvements that will strengthen the Department's ability to identify and address local variation and performance.

While the BEMSTS developed a format for standard reporting of response time compliance that was in effect for fiscal year 2025, the Department recognizes and agrees that this system lacks specificity, particularly requirements for consistent reporting of all dispatch calls in accordance with the Arizona Administrative Code. The audit report states that the Department held a "belief" that it lacks authority to use dispatch records in its quality assurance registry for regulating response times, which contributed to incomplete reporting data. The Department clarifies that this position is directly grounded in legal counsel obtained from assigned counsel in the Attorney General's Office and the explicit statutory mandate of A.R.S. § 36-2403, which strictly prohibits the Department from utilizing quality assurance registry dispatch records in disciplinary or regulatory enforcement matters. The Department is actively developing revisions to response time reporting requirements that will

obligate CON holders to submit all dispatch calls as reported to AZ-PIERS, similar to current urbanity reporting practices.

The Department is committed to updating its policies and procedures for the collection, review, and correction of response times in accordance with requirements outlined in statute and rule.

Recommendation 1: Review and assess complete and accurate response time data from certificate holders.

Department response: The audit recommendation will be implemented.

Response explanation: The Department acknowledges that while the BEMSTS developed a format for reporting of response time analysis of CON holders in response to the new requirements, this system did not include the reporting of dispatch call data for verification of certificate holder response times. The BEMSTS plans to update its reporting requirements to include all dispatched calls of CON holders as described in A.A.C. R9-25-908.

Recommendation 2: Establish emergent and nonemergent response time requirements for all certificate holders, consistent with recommended practices, including updating certificates for the certificate holders that do not have both emergent and nonemergent response time requirements through the certificate renewal process or when a certificate holder submits an amendment application.

Department response: The audit recommendation will be implemented.

Response explanation: The Department has already started working with CON holders to update response times consistent with statute and rule definitions through the renewal and amendment process, whichever comes first. The Department wishes to clarify that it will establish emergent and nonemergent response time requirements for all certificate holders where it is required. Response time requirements are as defined in A.A.C. R9-25-901(37) are specific to calls through 9-1-1 or similar system dispatch and interfacility transport of a patient with a time-critical condition.

Recommendation 3: Upon establishing emergent and nonemergent response time requirements as outlined in recommendation 2, hold certificate holders accountable to their emergent and nonemergent response time requirements, as required by statute and Department rules.

Department response: The audit recommendation will be implemented.

Response explanation: Upon establishing emergent and nonemergent response time requirements across certificates, the Department will review response times against CON holder certificate requirements in alignment with A.A.C. R9-25-907 and including a corrective action plan where appropriate as described in A.A.C. R9-25-908(G).

Ensure actions for certificate holders with similar violations for response time noncompliance are consistent or document its reasons for deviation, including aggravating or mitigating factors considered, consistent with recommended practices, including when:

Recommendation 4: Approving corrective actions submitted by certificate holders.

Department response: The audit recommendation will be implemented in a different manner.

Response explanation: The Department agrees that corrective action plans for response time noncompliance should be applied consistently. The Department emphasizes the distinction between corrective actions (defined as administrative/remedial measures under R9-25-908) and formal enforcement actions (defined under R9-25-911). The Department will ensure that it is consistent in its approach to determining when a corrective action plan is required for failure to meet response time requirements for CON holders. The corrective action plans will be applied consistently based on clear statutory and rule factors, and written documentation of aggravating or mitigating factors will be maintained whenever formal enforcement deviations occur. The Department would like to clarify that the specific corrective action within an action plan will vary among CON holders, as these are agreements between the Department and the CON holder and are based locally.

Recommendation 5: Taking enforcement actions.

Department response: The audit recommendation will be implemented.

Response explanation: The Department agrees that enforcement actions for response time noncompliance should be applied consistently. The Department emphasizes the distinction between corrective actions (defined as administrative/remedial measures under R9-25-908) and formal enforcement actions (defined under R9-25-911). The Department agrees to ensure that it is consistent in its approach to enforcement actions for certificate holders noncompliance utilizing a progressive enforcement approach.

Recommendation 6: Taking renewal actions for certificate holders that are on corrective action plans or under enforcement action.

Department response: The audit recommendation will be implemented.

Response explanation: The Department will implement clear guidelines for reviewing and renewing certificates during the renewal timeframe and ensure that actions taken are consistent.

Recommendation 7: Ensure corrective and enforcement actions for certificate holders result in compliance with response time requirements or, as needed, take additional action(s) to ensure certificate holders comply with response time requirements.

Department response: The audit recommendation will be implemented in a different manner.

Response explanation: The Department will ensure that it establishes corrective action plans with certificate holders not in compliance with their response times in accordance

with statute and rules. The Department would like to clarify that corrective action may not be necessary in all circumstances of non-compliance as is contemplated in mitigating factors identified in statute and rule. Additionally, the Department cannot guarantee that corrective actions or enforcement actions will result in response time compliance. The Department can ensure that it will take progressive enforcement action consistently as authorized in statute and rule for continued non-compliance.

Develop and implement policies and procedures for implementing the System, including:

Recommendation 8: Reviewing and assessing certificate holders' complete and accurate response time data to determine compliance with their response time requirements.

Department response: The audit recommendation will be implemented.

Response explanation: Written policies and procedures are being updated to govern the review and assessment of self-reported annual response time data to verify compliance.

Recommendation 9: Establishing both emergent and nonemergent response time requirements for all certificate holders, including during its renewal process.

Department response: The audit recommendation will be implemented.

Response explanation: The Department agrees to update its policies and procedures for establishing response times for certificate holders in alignment with statute and rule. This includes updating procedures for reviewing response time for initial, amendment and renewal applications.

Recommendation 10: Approving corrective action plans submitted by certificate holders that are noncompliant with their response time requirements, such as when Bureau staff should approve a corrective action plan with a requirement to amend response time requirements, including requirements for documenting the factors considered in making the determination to approve the corrective actions.

Department response: The audit recommendation will be implemented.

Response explanation: The department will develop policies and procedures for reviewing response time compliance and when corrective action plans should be in place according to statute and rule. This process will include documenting the rationale for specific corrective actions as proposed by the CON holder and reviewed and approved by the department.

Recommendation 11: Taking enforcement actions against certificate holders in noncompliance with response time requirements and documenting aggravating and mitigating factors that were considered for any deviation when certificate holders have similar violations.

Department response: The audit recommendation will be implemented.

Response explanation: Policies and procedures will be formalized to define enforcement workflows for response time violations and ensure written justification is recorded for any case-specific deviations.

Recommendation 12: Renewing certificate holders that are on a corrective action plan for response time noncompliance or have continued noncompliance with response time requirements following corrective or enforcement action, including specifying who can approve the renewal and the length of renewal.

Department response: The audit recommendation will be implemented.

Response explanation: The Department will implement clear guidelines for reviewing and renewing certificate holders currently under a corrective action plan, including approval hierarchies and renewal terms.

Recommendation 13: Revise its standard format for receiving response time data to obtain the information necessary to verify certificate holders' self-reported response time information for all required calls.

Department response: The audit recommendation will be implemented.

Response explanation: The Department is developing a standardized annual reporting template and verification process to ensure self-reported response time data can be validated against supporting documentation.

Question 4: How long did it take the Department to process initial certificate applications we reviewed in fiscal year 2025?

The Department did not make a decision to approve or deny 4 of 6 applications within 180 days, as required by statute.

Department response: The Auditor General's finding is agreed to.

Response explanation: The Department acknowledges statutory time frame challenges for initial applications during fiscal year 2025. The Department would like to acknowledge that application time frames were reduced from 420 days to 180 days at the start of fiscal year 2025. At this same time the department had significant loss of staffing in the section that processes CON applications including, the CON section chief, CON manager, application analysts, the Deputy Bureau Chief and the Bureau Chief. This loss of staff also coincided with significant changes to CON application requirements. Despite the significantly shortened time frame and staff challenges in the BEMSTS, the Bureau is taking steps to streamline application review workflows and tracking mechanisms including implementing a new licensing management system for processing applications and updating standard work. The Department believes that an updated system that allows for improved application processing, workflows and tracking is critical to ensuring the Department can achieve the 180-day timeframes.

Recommendation 14: Approve or deny all certificate-of-necessity initial applications within 180 days, as required by statute.

Department response: The audit recommendation will be implemented.

Response explanation: The Department will adhere to the 180-day statutory time frame for initial certificate-of-necessity applications, utilizing statutory tolling periods when additional information is requested from applicants. The Bureau would like to clarify that its ability to ensure it can meet this statutory time frame is contingent upon ensuring that it has the staffing and resources necessary to meet the requirements.

Recommendation 15: Develop and implement policies and procedures outlining the process for receiving, reviewing, and approving or denying initial certificate-of-necessity applications, including procedures for tracking and monitoring application-review progress and timeliness.

Department response: The audit recommendation will be implemented.

Response explanation: Updated standard operating procedures and tracking logs are being implemented to actively monitor application timeline milestones and ensure compliance with statutory review time frames.

Question 5: How does the Department determine whether certificate holders reasonably demonstrate a need for a GPS waiver?

The Department does not have policies and procedures for receiving, evaluating, and either approving or denying the reasonability of a certificate holder's inability to have a GPS-monitoring device in each vehicle.

Department response: The Auditor General's finding is agreed to.

Response explanation: The Department agrees on the need to formalize written policies regarding GPS waiver requests and evaluation criteria.

Recommendation 16: Develop and implement policies and procedures for receiving, evaluating, and approving or denying GPS waiver applications, including its process for determining how a certificate holder can reasonably demonstrate it is unable to have a GPS-monitoring device in each vehicle.

Department response: The audit recommendation will be implemented.

Response explanation: Written policies and evaluation criteria will be implemented to review, evaluate, and issue decisions on GPS waiver applications based on objective standards of reasonability.

Question 7: How long did it take the Department to notify certificate holders of a complaint and investigate complaints we reviewed against certificate holders in fiscal year 2025?

The Department took between 2 and 125 days to notify certificate holders that it received a complaint and took between 0 and 239 days after receiving all

necessary information from the certificate holder to investigate the complaint and make a determination of substantive or nonsubstantive.

Department response: The Auditor General's finding is agreed to.

Response explanation: The Department acknowledges time frame variations during fiscal year 2025 complaint processing and is updating complaint tracking and investigation procedures to ensure statutory deadlines are met due to a number of factors including the lack of a reliable reporting system for processing complaints and investigations, and the considerable staff changes in the section that manages enforcement. Specifically at the beginning of fiscal year 2025, the Bureau lost the manager of enforcement, the assistant manager, the Deputy Bureau Chief, the Bureau Chief and several investigation staff. The Bureau is currently reviewing and updating its standard work for enforcement and investigations including working on the development of a new licensing system that will improve the ability of the department to track investigations, track timeframes and responses.

Recommendation 17: When a complaint is determined to be within its jurisdiction, notify certificate holders of customer complaints received and request documentation from certificate holders within 15 days of receiving the complaint, as required by statute.

Department response: The audit recommendation will be implemented.

Response explanation: The Department agrees it will enforce internal controls to ensure certificate holders are formally notified of verified customer complaints within 15 days of receipt as required by A.R.S. § 36-2245.

Recommendation 18: Develop and implement policies and procedures for receiving, investigating, tracking, and monitoring complaints received against certificate holders.

Department response: The audit recommendation will be implemented.

Response explanation: The Department has already begun work on updating policies and procedures for receiving, investigating, tracking and monitoring complaints. The Bureau is in the process of developing and implementing a new licensing management system that will have an enforcement module supporting this work.

Recommendation 19: Develop and implement time frames for noncustomer complaints by either adhering to statutory time frames for customer complaints or developing alternative time frames in Department policies and procedures.

Department response: The audit recommendation will be implemented.

Response explanation: The Department will establish explicit policy time frames for noncustomer complaint investigations that align with statutory standards or administrative procedures.

Question 8: Did the Department take consistent and appropriate enforcement actions against certificate holders with substantiated complaints during fiscal year 2025?

The Department's files lacked supporting documentation to allow us to definitively conclude that it took consistent and appropriate actions for the complaints we reviewed.

Department response: The Auditor General's finding is agreed to.

Response explanation: The Department agrees that complete supporting documentation must be systematically retained in enforcement case files. The Bureau will include a process for clearly documenting enforcement actions taken and factors that contributed to enforcement in alignment with statute and rule.

Recommendation 20: Develop and implement policies and procedures for taking enforcement actions against certificate holders with an identified violation of statute or rule as a result of a complaint investigation, including documenting any aggravating and/or mitigating factors that were considered for any deviation when certificate holders have similar violations.

Department response: The audit recommendation will be implemented.

Response explanation: Comprehensive policies will be finalized to govern enforcement decision-making, and documentation standards for investigation records.