

Table 4.2 Records Retention Schedule

TEMPORARY RECORD	RETENTION PERIOD (YR)	PERMANENT RECORD (RETAINED INDEFINITELY)
Accounts receivable (patient ledger)	7	Accounts payable records
Appointment sheets	3	Bills of sale for important purchases (or until you no longer own them)
Bank deposit slip (duplicate)	1	Canceled checks and check registers
Bank statements and canceled checks	7	Capital asset records
Billing records (for outside service)	7	Cash books
Cash receipt records	6	Certified financial statements
Contracts (expired)	7	Contracts
Correspondence, general	6	Correspondence, legal
Daysheets (balance sheets and journals)	5	Credit history
Employee contracts	6	Deeds, mortgages, contracts, leases, and property records
Employee time records	5	Equipment guarantees and records (or until you no longer own them)
Employment applications	4	Income tax returns and documents
Insurance claim forms (paid)	3	Insurance policies and records
Inventory records	3	Journals (financial)
Invoices	6	Health records (active patients)
Health records (expired patients)	5	Health records (inactive patients)
Medicare financial records	7	Mortgages
Remittance advice documents	8	Property appraisals and records
Payroll records	7	Telephone records
Petty cash vouchers	3	X-ray films
Postal and meter records	1	Year-end balance sheets and general ledgers
Tax worksheets and supporting documents	7	

A person's health record may be of value not only to himself or herself in later years but also to the person's children. In some states a minor may file suit, after he or she has attained legal age, for any act performed during childhood that the person believes to be wrong or harmful. Sometimes a suit may be permitted even 2 to 3 years after the child has reached legal age. Thus it is important to keep records until patients are 3 to 4 years beyond the age of majority.

Deceased patients' charts should be kept for at least 5 years. Shred documents that are no longer needed. Some practices prefer to use medical record storage companies, which may put records on microfilm before disposal. If records are disposed of by a professional company, be sure to obtain a document verifying method of disposal. Maintain a log of destroyed records showing the patient's name, Social Security number, date of last visit, and treatment.

Financial Documents

According to income tax regulations on record retention, accounting records should be kept a minimum of 4 years (following the due date for filing the tax return or the date the tax is paid, whichever is later). Always contact an accountant before discarding records that may determine tax liability. Suggested retention periods are listed in Table 4.2.

A federal regulation mandates that assigned claims for Medicaid and Medicare be kept for 7 years; the physician is subject to auditing during that period. The Federal False Claims Amendment Act of 1986 allows a claim of fraud to be made up to 10 years from the date a violation was committed. Documentation must be available for inspection and copying by the investigator of the false claim (31 US Code §3729–3733).

HIPAA Documents

Under HIPAA guidelines, Notice of Privacy Practices (NPP) acknowledgements signed by patients must be kept on file for at least 6 years from the date of the creation or the date it was last in effect. For example, for an NPP effective beginning on December 1, 2009, the patients' acknowledgements may be disposed in 6 years (December 1, 2015).

Termination of a Case

A physician may wish to withdraw formally from further care of a patient because of patient noncompliance (e.g., the patient discharged the physician, did not follow instructions, did not take the recommended medication failed to return for an appointment, discontinued payment on an overdue account). A physician may terminate a contract by: