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140 West Germantown Pike, Suite 200
Plymouth Meeting, PA 19462-1421

www.healthcaregroup.com

1.800.473.0032

Retaining Medical and Business Records: When is Enough Enough?

In this increasingly regulated environment, documentation is key. But, what do you do with all of those documents after the immediate need for them is over?

For many people, the first thought is to hang on to everything. However, this is unrealistic and really not necessary. If your practice is like most, you have records in your office and perhaps even in your basement at home. But, like everyone else, you are running out of space. And, with the increasing costs of converting your records to microfilm, leasing offsite storage space or using an archiving service, you are probably asking whether there is anything that you actually can throw out.

Some records must be maintained forever. So think about what records you really need to keep, and how accessible those documents and records really need to be. Also, consider your options how you actually keep those records. Also, consider the general guidelines on the accompanying chart.

Where to Keep Records

Self Storage: Perhaps the easiest way to save the files but lose the clutter is simply to move the clutter off site. For a fee (usually charged monthly), you can simply stash some of your files in a commercially operated "you-store-it" type of facility. This is the least expensive of the storage methods.

Archival: An option to self-storage is to hire an archival firm to keep some of your records. This type of company will store your records indefinitely and, when you need a file, will get to you within a day or two. All you have to do is to keep track of your stored inventory and then phone the company.

Microfilm: Transferring your records to microfilm involves hiring a company to perform the transfer and purchasing the equipment necessary to read the microfilm. If you want to take a patient's file to court, you can print a paper copy. This method allows you to keep the records on site, but in a much smaller space, compared to storing paper. Purchasing the necessary equipment and initially converting your records is a bit costly, but it is a one-time expense. The ongoing costs are small, and likely pay for itself when you compare them to the storage costs and amount of additional free space.

Computerization: There is absolutely no question that the way of the future is to computerize your records. You can imitate paper files entirely by storing records on the computer's hard drive with back-ups on disk. You can even scan in those other physicians' records and you can save digitally sent records. Standardized computer record programs are being developed for all primary care and specialty practices. These, by and large, are geared to meet the needs of smaller group practices. Many large clinics already are using computerized systems.

Compared to microfilm records with the proper care, computerized records occupy less space and deteriorate less rapidly. Most businesses already rely heavily on computer systems, and in many practices computers already are used to perform a wide range of business functions. Computer users expect to enlarge, modify, and upgrade their systems occasionally, so computerizing patient records is a natural extension of the uses of a business machine that you probably already have.

Your records will be stored on one of the computer's drives. When you need to refer to a record, you will be able to call it to the screen. If you need to take a physical copy of it somewhere, you will be able to copy it onto a disk or print it out onto paper. The costs of memory are minimal in consideration of the immediate accessibility to this information and the space you save eliminating patient files.

Record Description	Years Retained	Record Description	Years Retained	Record Description	Years Retained
Accounting		Physician Agreements	P	Bank Statements	6
Cash Reports - Daily	2	Service Agreements	P	Budgets	6
Cash Receipts	10	3rd Party Payors Contracts (after term)	7	Cash Disbursements	8
Deposit Slips	3	Vendors	P	Employee	
Depreciation Schedules*	P	Others (after termination)	10	Expense Reports	10
Journal/Ledgers		Correspondence*		Financial Statements	10
General Ledgers	P	Accounting*	5	Mortgages	P
Accounts Payable	7	Banking	3	Petty Cash Reports	6
Accounts Receivable	7	Credit	5	Revenue Reports - Daily	6
Property Account	P	Legal*	5	Revenue Reports - Monthly	6
Other	P	Employees		Invoices	
Accounts Receivable		Accident Reports	21	Accounts Payable	7
Reports - Monthly	2	Deduction Authorization - Payroll	20	Accounts Receivable	7
Reconciliations	2	Garnishments	7	Paid	7
Checks		Individual Earning Records	P	Leases	
Canceled	7	Payroll		Equipment	10
Accounts Payable	7	Analysis	10	Property	20
Payroll	7	Cash	10	Other	10
Petty Cash	7	Rate Authorization	10	Working Papers	
Other	7	Policies and Procedures	P	Accounting	6
Contracts		Time Cards/Slips	10	Budgets	5
Bylaws or Operating Agreement	P	W4 Forms	10	Cost	6
Shareholders	P	W-2 Forms, 1099s	10	Financial Statements	10
Employees	P	Financial		Operating Items	
Insurance Policies	P	Annual Reports	P	Job Descriptions	10
Loans (after date of payment in full)	10	Audit Reports	P	Policy and Procedure Manual	10
Minute Book - Board of Directors	P	Balance Sheets*	P	Operating Reports	10
Pension & Retirement Plans	P	Bank Reconciliations	6	Operating Statement Licenses	6 P

* Indicate that someone else (accountant, lawyer, etc.) likely also keeps this record P = Perpetual

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