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MANAGING YOUR DERMATOLOGY PRACTICE

Medical Records: What to Keep—Part II

Last month I listed the various options for storing your old medical records, and made the case for keeping them indefinitely. (If you missed that column, you can find it on the SKIN & ALLERGY NEWS Web site at www.skinandallergynews.com. Click on “The Archives Collection” on the left-hand side.)

Once you’ve found a permanent home for your medical records, what about all those other records, business documents of all kinds, that are probably gathering dust in boxes, taking up expensive space?

Before you can decide what to keep, of course, you have to determine what you have. So get out all those boxes and have an employee sort everything into identifiable categories, by date.

Now comes the hard part. As a recovering “pack rat” myself, my instinct is to keep everything, but that’s impractical and usually unnecessary. While your corporate minutes book must be maintained and updated perpetually, and a few important documents—which I will point out as we get to them—should be preserved for the duration, most records have no value after varying periods of time or the information they contain is readily available elsewhere, so they can be safely destroyed.

Of course, these are only suggestions. You should check your state and local laws for any statutorily mandated time limits, and your individual circumstances may dictate longer—or shorter—retention times for some documents than those suggested here. When in doubt, consult your practice lawyer.

Among standard business records, experts say day sheets, patient billing slips, and other original entry items can be discarded after 7 years. Ditto for year-end financial and management reports; third-party insurance explanation of benefits forms, correspondence, and other records; and paid invoices and other bills. (The Internal Revenue Service cannot normally go back further than 7 years, but audited files can be reopened at any time, so keep any receipts and papers related to an audit forever.) Internal monthly summaries and financial data need only be kept for 3 years.

Routine business correspondence should also be preserved for 3 years, but keep anything really important (particularly if related to litigation or major purchases) indefinitely. Expired insurance policies can be discarded after 3 years, but hang on to your malpractice policies, as well as insurance payout records, claims reports, and related documentation.

Keep bank deposit slips and monthly bank statements for 1 year. Canceled checks can be tossed after 7 years, except those for taxes, major asset purchases, and similar important transactions. Those should be filed permanently with the papers related to the corresponding transactions.

Personnel records, including original employment applications, should be kept

for 3 years after the employee has left. Employee time clock records as well as payroll records and summaries, including payroll tax forms, should be kept a minimum of 7 years.

Tax returns should be kept at least 7 years, along with worksheets, lists, schedules, and other supporting items, though some tax lawyers recommend keeping the returns themselves indefinitely. Important legal documents such as deeds, mortgages,

and bills of sale of major items should be kept permanently. Keep partnership agreements, corporate shareholder agreements, corporate minute books, and charter by-laws for 7 years after you cease being a shareholder or partner.

Finally, there are a few documents which should *never* be kept, even for a day. Unsolicited resumes, for example, pose legal risks that you have no need to take. Unsolicited resumes should be returned to

senders immediately, accompanied by a note to the effect that you have “a strict policy on such submissions: Without exception, they are returned without review. But thanks for your interest.” ■

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