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Senate Bill 465 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Gilda Z. Jacobs
Committee: Health Policy

CONTENT

The bill would amend the Public Health Code to do the following:

- Require an individual licensed under the Code to maintain a record for each patient (as currently required of a health facility or agency).
- Require the records maintained by a licensee or a health facility or agency to be kept for at least seven years, or longer if required by law or generally accepted standards of medical practice.
- Require a licensee or a health facility or agency that was unable to comply with the record maintenance requirements to contract with another provider or entity to do so.
- Require a licensee, facility, or agency, upon ceasing to practice or operate, to notify patients and the Department of Community Health (DCH) and either transfer or destroy medical records as specified.
- Allow a licensee, facility, or provider to destroy a record that was less than seven years old if the patient were notified and given the opportunity to request a copy of the record, and gave written authorization agreeing to the record's destruction.
- Establish a maximum \$10,000 administrative fine for a person who failed to comply with the record maintenance and disposal requirements if the failure were the result of gross negligence or willful and wanton misconduct.
- Require a licensee and an applicant for licensure to give the DCH an affidavit concerning their maintenance of medical records.

MCL 333.16177 et al.

Legislative Analyst: Julie Koval

FISCAL IMPACT

State-operated hospital facilities currently retain patient records for a period of 20 years after an individual is discharged, which makes it unlikely that the bill's record retention requirements would increase costs for State health facilities. Locally operated health facilities that currently do not retain patient information for seven years would see an increase in the cost of maintaining health records if this legislation were enacted.

The Department of Community Health would see an increase in administrative cost associated with collecting and storing information from medical providers who ended their practice on where patient information was transferred and how former patients could obtain this information. Also, the bill would permit the DCH to take steps to ensure that medical records were destroyed in a fashion that protected patient confidentiality. The Department could impose fees on health facilities and professionals to cover the cost of overseeing this process. The DCH also could see an increase in revenue from the \$10,000 fine that could be imposed on health providers who did not adhere to the proposed medical record requirements.

Date Completed: 4-26-06

Fiscal Analyst: David Fosdick

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Bill Analysis @ www.senate.michigan.gov/sfa