

RMD Bulletin

Knowledge is power...

Financial Record Retention Regulations



The California Code of Regulation (CCR), Title 9, Section 640 requires that legal entities keep adequate financial records and statistical data to support monthly claim and year-end documents filed with the Department of Mental Health (DMH). These records must be retained for **four (4) years** after the closing of the fiscal year or **until such time as the audit has been settled for that fiscal year**. For example, because the audit has not been settled for fiscal year 2004/2005 you must retain the financial records even though it has been more than four (4) years.

Financial records include, but are not limited to:

- ✓ Financial folders
- ✓ Payor Financial Information (PFI) forms
- ✓ Insurance Authorization & Assignment of Benefits forms
- ✓ Lifetime Extended Signature Authorization forms
- ✓ DPSS Referral Cards
- ✓ Financial Obligation Agreements
- ✓ Authorization for Request or Use/Disclosure of Protected Health Information (PHI)
- ✓ Therapeutic Fee Adjustments (TFA)
- ✓ Liability Adjustments
- ✓ Proof of Benefit Eligibility
- ✓ Client Statements
- ✓ Billing rates
- ✓ Trial balances
- ✓ Receipts for third party or client payments
- ✓ Vouchers
- ✓ Income Verification
- ✓ MH1980 forms
- ✓ Integrated System (IS) reports
- ✓ Financial reports
- ✓ Monthly Administrative Activity Reports (MAAR)

The objective is to ensure the appropriate financial records are available in the event of an audit or subpoena. To this end, financial records must be preserved no less than four (4) years.

We're here to help you...

If you have any questions or require further information, please do not hesitate to contact RMD at (213) 480-3444 or via e-mail at RevenueManagement@dmh.lacounty.gov.