The Hospital Discharge Data Act (Alabama Act 2021-129) became effective March 31, 2021. The Act provides a mechanism for hospitals to report previously uncollected data regarding a patient's discharge from a general acute care hospital, a critical access or specialized hospital, or a separately licensed freestanding emergency department in this state. Both inpatient and outpatient discharge data will be submitted to the Alabama Department of Public Health and later be made available in de-identified format for the hospitals' use. Some de-identified data may also be available to the public.

Hospital Discharge Data provides necessary information and support for public health grants, regulatory reports, injury surveillance and prevention, disease surveillance and registries, health planning. Community assessments, and health services and policy research.

In addition to the technical requirements for the collection of patient discharge data, the Act requires the establishment of the Hospital Discharge Data Advisory Council "to assist in developing the rules and standards needed to implement the Act, and to serve as consultants to the Alabama Department of Public Health regarding reports, studies, or publications authorized under the Act, and the protection, collection, and dissemination of discharge data." Included on the Council are seven hospital representatives appointed by the Alabama Hospital Association, including one representative from a rural hospital, and urban hospital, a governmental hospital, and not-for-profit hospital, a pediatric hospital, and a for-profit hospital.

Individual patient data submitted by a hospital pursuant to the Act will always remain confidential.