ALERT

# Red Flag Rules Compliance Deadline is May 1, 2009 – Are You Ready?

Physicians and physician groups may be unaware that they have a looming deadline for compliance with complex new federal regulations. The Federal Trade Commission ("FTC") and other federal agencies issued a set of rules that require "financial institutions" and "creditors" holding consumer or other "covered" accounts to develop and implement an identity theft prevention program that originally required compliance with the regulations by November 1, 2008. The FTC subsequently postponed enforcement of these rules until May 1, 2009. ***These rules, commonly referred to as the Red Flag Rules (the "Rules"), affect individual physicians, physician groups, hospitals and other healthcare organizations*** that qualify as "creditors" based upon billing and collection practices. The Rules provide guidelines for identifying patterns, practices and specific forms of activity – in short, red flags – that indicate the possible existence of identity theft.

Compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and its subsequent implementing Privacy and Security Regulations does not exempt your medical practice from compliance with the Rules. Although there is significant overlap in these regulations, there is one main differentiation: HIPAA seeks to prevent the disclosure of identity information it obtains from the patient to unauthorized persons or entities outside of the Practice. The Red Flag Rules, however, seek to implement a policy or procedure *within* the practice to identify, detect and prevent the theft of a patient's identity.

Various professional organizations such as the American Medical Association (AMA) and the Duval County Medical Society (DCMS) have developed templates for developing policies & procedures to prevent identity theft and to ensure compliance with the Rules. These templates can be found on their respective websites.

LBA Healthcare Consulting Services, in turn, has developed a policies and procedures implementation program that is more specific to day-to-day operations within your practice. This service is available for a flat fee of $250. If you are interested in working with the professionals at LBA to ensure your practice's compliance by the May 1st deadline, please contact LeeAnn Brust at 904.396.4015 or LeeAnn@LBAHealthcare.com.

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