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FTC Delays Deadline for Implementation of "Red Flags Rule"

The Federal Trade Commission (FTC) has announced that it will delay the date it begins enforcement of the "Red Flag Rule," which requires physicians and hospitals to adopt written plans for tracking and responding to indicators of identity theft in their billing operations, from August 1, 2009 to November 1, 2009. This is the third time the FTC has changed the date.

As previously reported in *Risk E-Notes*, the FTC's "Red Flags Rule" requires physician practices to (a) identify red flags, or warning signs, of potential identity theft occurrences; (b) create a corporate policy for responding to such risks; and (c) train staff on the new policy. As the compliance date approaches, be sure you have policies in place to comply with the rule.

In preparation for the beginning of enforcement, CAP's Risk Management & Patient Safety Department recommends that you take the following steps:

1. Review your existing office security/privacy policies regarding how you verify a patient's information, as well as the identity of a parent or guardian, if necessary.
2. Staff should take additional precautions and pay attention to other potential red flags of identity theft, including:
 - Documents provided by patients that appear altered or forged
 - Discrepancies in or absences of Social Security numbers or insurance cards
 - Records showing inconsistent information
 - Patient complaints of bills for services never rendered
 - Denial of insurance claims e.g. services rendered twice to different patients with same insurance ID numbers

Here is the link to a [new resource](#) (PDF) from the American Medical Association (AMA) developed to help physicians incorporate a simple identity theft prevention and detection program into their existing office policies which also meets the Health Insurance Portability and Accountability Act (HIPAA) Security and Privacy Policies. Also provided here is the link to a [sample policy](#) (PDF) developed by the AMA.

Authored by
Ann Whitehead, RN, JD
CAP Risk Management & Patient Safety Department

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