



FTC Delays Red Flags Rule Implementation

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The deadline for compliance with the Red Flags Rule has been extended to November 1, 2009. In my last post on July 20 (see link below), I reported that health care providers will be required to comply with new requirements for fighting identity theft starting August 1, 2009 - when the Red Flags Rule of the Federal Trade Commission (FTC) was supposed to go into effect. On July 29, the FTC announced that it is extending the compliance deadline to November 1.

Failure to comply with the Red Flags Rule could subject health care providers to civil monetary penalties up to \$3,500 per violation. The FTC has made several postponements to allow businesses to comply with the Red Flags Rule. For more information please visit <http://ftc.gov/opa/2009/07/redflag.shtm>.

In its July 29 announcement, FTC also clarified that simply accepting credit card payment is not enough to run afoul of the Rule. They are preparing additional guidance, including specific guidance for the health care industry. We will keep you informed of developments as they occur.

Keep visiting the K&B Healthcare *WebLINE* for latest updates on this and other important health care topics.

How we can help

King & Ballow can assist in the development and implementation of an identity theft prevention program to comply with the Red Flags Rule and assisting providers establish protocols and ways to respond when red flags are spotted. Also, if your business provides patient information to other service providers or other service providers have access to patient information through services provided directly to your business, we can assist you in monitoring for Red Flags Rule risks that may arise.

["Red Flags Rule for Healthcare Providers," July 30, 2009](#)

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