



Health Law Update

Federal Trade Commission Red Flags Rule: Enforcement Delayed Until November 1, 2009

July 29, 2009

The Federal Trade Commission (FTC) announced on July 29, 2009 that it would further delay enforcement of the Red Flags Rule from August 1, 2009 until November 1, 2009. The purpose of the Red Flags Rule is to assist creditors and financial institutions with covered accounts in combating identity theft by requiring them to implement programs to identify, detect and respond to "red flags" that might indicate the occurrence of identity theft. "Creditors" include those entities that regularly extend or renew credit, or regularly arrange for others to extend or renew credit, including all entities that regularly permit deferred payments for goods or services. The FTC has taken the position that the Red Flags Rule applies to health care providers, including, but not limited to, hospitals and physicians.

The FTC stated in its July 29, 2009 announcement:

"To assist small businesses and other entities, the Federal Trade Commission staff will redouble its efforts to educate them about compliance with the "Red Flags" Rule and ease compliance by providing additional resources and guidance to clarify whether businesses are covered by the Rule and what they must do to comply."

The FTC stated that it was further delaying the enforcement date for the Red Flags Rule to November 1, 2009 in order to "give creditors and financial institutions more time to review this guidance and develop and implement written Identity Theft Prevention Programs."

If you have any questions or desire additional information, please contact a member of Phelps Dunbar's health care team listed below.



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Inquiries concerning topics addressed in the Health Law Update may be directed to any of our Health Law attorneys. Your comments, questions, and suggestions are encouraged.

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