



***Regal Medical Group***

**Red Flags Rule**

Identify Theft Training

# Purpose of the Red Flags Rule

- To protect against identify theft.
- To train the workforce on identifying, detecting, and responding to identify theft.
- Penalties imposed for violations against compliance with the rule.



# Categories of Red Flags



- Alerts and notifications received from consumer reporting agencies or service providers such as fraud detection services.
- The presentation of suspicious documents.
- The presentation of suspicious personal identify information such as a suspicious address change.
- Suspicious activity related to a Covered Account.
- Notice from customers, victims of identity theft, law enforcement or others regarding identify theft.

## In the Course of Caring for Patients

- **A complaint or question from a patient based on the patient's receipt of:**
  - A bill for another individual;
  - A bill for a product or service that the patient denies receiving;
  - A bill from a health care provider that the patient never patronized; or
  - A notice of insurance benefits (or explanation of benefits) for the health care services never received.

***Cont.***

## **In the Course of Caring for Patients**

- Records showing medical treatment that is inconsistent with a physical exam or medical history as reported by the patient.
- A complaint or questions from a patient about receipt of a collection notice.
- A patient or health insurer reports that benefits have been depleted or a lifetime cap has been reached.
- A dispute from a patient who claims to be the victim of any type of identity theft.
- A patient who has an insurance number but never produces an insurance card or other physical documentation of insurance.

***Cont.***

## **In the Course of Caring for Patients**

- The photograph on a driver's license or other photo ID submitted by the patient does not resemble the patient.
- The patient submits a driver's license, insurance card or other identifying information that appears to be altered or forged.
- An address or telephone number is discovered to be incorrect, non-existent or fictitious.
- The patient's signature does not match a signature in the practice's records.
- A notice or inquiry of an insurance fraud investigator or law enforcement, including a Medicare fraud agency.

# Protect Social Security Numbers

- **Do not include a SSN on mail correspondence to members (i.e. bills, referrals. Authorizations/denials).**
- **Do not intentionally communicate or make available to the general public a member's SSN.**
- **Do not require a member to transmit a SSN over the internet unless secure or encrypted.**

# Work to Detect Red Flags

- Establishing policies & procedures to address the detection of Red Flags.
- Verifying the identity of persons opening a Covered Account.
- Authenticating customers, monitoring transactions and verifying the validity of information.

# Respond to Red Flags

- Respond to detected Red Flags.
- Contact the customer.
- Change passwords to Covered Accounts.
- Notify law enforcement.
- Investigate and determine what if any action is necessary.

# Periodically Update Processes

- Based on past experiences of identity theft.
- Based on changes in identity theft methods.
- Based on changes in methods to detect, prevent, and mitigate identity theft.
- Based on changes in business arrangements, including mergers, acquisitions, alliances, joint ventures, and service provider arrangements.

## Penalties Imposed For Non-Compliance

- The Federal Trade Commission may impose penalties of up to \$2,500 per violation if a provider or business is deemed out of compliance with the Red Flags Rule.

# Responding to Red Flags

- **If fraudulent activity involves protected health information (PHI) covered under HIPAA then HIPAA security policies and procedures will apply to the response.**
- **The employee should gather all documentation and report the incident to his/her immediate supervisor or designated compliance officer.**
- **The supervisor or designated compliance officer will determine whether the activity is fraudulent or authentic and take the appropriate actions it deems necessary.**

# Definitions

- **Account:** financial institution or creditor to obtain the product or service.
- **Identity Theft:** a fraud committed or attempted using the identifying information of another person without authority.
- **Red flag:** A pattern, practice, or specific activity that indicates the possible existence of identity theft. <http://ftc.gov/redflagsrule>
- **Customer:** a patient or person obtaining a service or product.