

Red Flags Rule Enforcement Delayed Until August 2009

On April 30, 2009, the Federal Trade Commission (“FTC”) announced that it will delay enforcement of the Red Flags Rule (“Rule”) until August 1, 2009 so that creditors and financial institutions have additional time to develop and implement written programs to detect and prevent identity theft. The FTC previously had extended the initial enforcement deadline for the Rule from November 1, 2008 until August 1, 2009 following significant confusion among medical and dental practices, along with other entities, as to whether they were “creditors” under the Rule.

Doctors are required to comply with the Red Flags Rule since they are considered creditors by definition. As such, a Red Flags Rule compliance manual is required by law. To aid you in complying with the new rules, we are enclosing a sample Red Flags Rule compliance manual.

Additional information regarding the Red Flags Rule can be found at www.ftc.gov/opa/2009/04/redflagsrule.shtm. For members of the Kentucky Medical Association information is also available at www.kyma.org. For members of the American Dental Association information is available at www.ada.org.

If you have any questions please contact Paulita at (502) 896-5846.