

## Eli's Rehab Report

### News Briefs: Heads Up: Therapists Could Be Considered 'Creditors'

Last summer, the Federal Trade Commission issued its "Red Flags Rules" that require financial institutions and creditors to create written identity theft prevention programs by Nov. 1. However, many businesses-- including healthcare practices-and facilities -- didn't realize they should be considered "creditors" and weren't ready to put plans in place to comply with the Red Flag rules. Therefore, the FTC delayed enforcement of the rule until May 1, 2009.

"Healthcare providers are creditors if they bill consumers after their services are completed," FTC said in its article. "Healthcare providers that accept insurance are considered creditors if the consumer ultimately is responsible for the medical fees."

What this means: If a healthcare provider is a creditor and maintains covered accounts, the "red flag" regulations require the practice or facility "to develop a written identify theft prevention program that contains reasonable policies and procedures to detect, prevent, and mitigate identity theft in connection with covered accounts," according to an Oct. 16, 2008, American Medical Association news release.

Keep in mind: "In order to be a 'creditor,' a provider has to regularly accept deferred payment for services," says **Barbara J. Greenwood, Esq.** with Rath, Young and Pignatelli in Concord, N.H. Meanwhile, "hopefully, the FTC will provide some clarification before May 1," Greenwood says.

To read the FTC's article for healthcare providers, visit [www.ftc.gov/bcp/edu/pubs/articles/art11.shtm](http://www.ftc.gov/bcp/edu/pubs/articles/art11.shtm).