

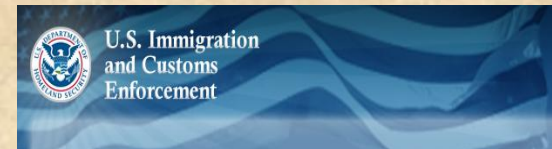
Practical Compliance Solutions for the F.A.C.T.A. Red Flag Rule



Some of our clients include...



STATE HIGHWAY PATROL
FEDERAL CREDIT UNION



U.S. Immigration
and Customs
Enforcement



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With us, it's personal.



United States Coast Guard
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NIKE

The “Red Flag Rule” as it relates to the Health Care Industry

The crime of Identity Theft has reached epidemic proportions. One out of 5 Americans are impacted in some way by this crime. In January of 2008, the Federal Government decided to take action. The following agencies are collectively responsible for enactment of the Red Flag Identity Theft Rule.

- **The Federal Trade Commission**
- **The FDIC**
- **The Federal Reserve**
- **Department of the Treasury**
- **Treasury Office of Thrift Supervision**
- **Treasury Comptroller of Currency**
- **National Credit Union Administration**

Who must be in compliance?

The industries that are directly impacted by this Rule are...

- Financial Services Industry
- Health Care Industry
- Mortgage Brokers & Bankers
- Insurance Industry
- Automotive Industry

Definitions: “Creditor” & “Covered Accounts”

- Health Care providers may be subject to the Rule if they are “creditors.” Although you may not think of your practice as a creditor in the traditional sense of a bank or mortgage company, the law defines creditor to include any entity that regularly defers payment for goods or services or arranges for the extension of credit.
- For example, you are a creditor if you regularly bill patients after the completion of service, including the remainder of medical fees not reimbursed by insurance. Similarly, healthcare providers who regularly allow patients to set up payment plans after services have been rendered are considered creditors under the Rule.

Definitions Continued...

- On the other hand, if you accept only direct payments from Medicaid or similar programs where the patient has no responsibility for the fees, you are not a creditor.
- The second key term – “Covered Account” – is defined as a consumer account that allows multiple payments on transactions or other account with a reasonably foreseeable risk of identity theft.

What the Rule Requires

The Four Must-Have Elements

1. A Written Information Security Policy selected from the 26 Red Flag test questions listed in the Rule and it must be integrated into your day to day business.
2. The program must ensure that your “Relevant Vendors” are also compliant. (Third parties you share sensitive customer information with)
3. Training on Red Flag and information security for employees.
4. Program should contain an incident response plan in the event you or a third party vendors lose customer information.

** Program must be administered by senior management. Fines and penalties for non-compliance*

*Compliance to the Rule does not have to
be difficult, time consuming or
expensive*

We have created a convenient and very
inexpensive solution.

For \$299.00 you will receive *everything* you
need to be compliant to the *Red Flag Rule*.

And it's all professionally done for you!

You will receive the following...

1. A customized professionally written Information Security Policy *specific to the industry.*
2. A customized Internal Security Policy to help meet the Red Flag Rule employee training requirements.
3. A customizable “Vendor Compliance” letter
4. An Incident Response outline of procedures to be followed in the event of a data breach.
5. *And at no cost...*A Red Flag check list to simplify the identification of *Red Flags* when opening a new patient file.

An Emerging Trend...

The Red Flag Rule indicates a larger trend that we are seeing more and more in both legislation and in court decisions.

Businesses and owners are being held to higher standards since they are entrusted with safeguarding customer information.

Compliance vs. Best Business Practices

Required compliance aside however, protecting your patients personal information should automatically be part of your *Best Business Practices*. This needs to be done not because it's required, but because it's the right thing to do.



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