

South Michigan Ophthalmology, PC

Policies and procedures for identity theft prevention and detection and Red Flags Rule compliance

(Reviewed 1-29-16)

What is the purpose of the Red Flags Rule?

The Red Flags Rule requires certain entities to develop and implement policies and procedures to protect against identity theft. Identity theft occurs when someone uses another's personal identifying information (e.g., name, Social Security number, credit card number, or insurance enrollment or coverage data) to commit fraud or other crimes. In the case of physician practices, of particular concern is medical identity theft. Medical identity theft occurs when someone uses a person's name and sometimes other parts of their identity – such as insurance information – without that person's knowledge or consent to obtain or make false claims for medical services or goods. Medical identity theft can also result in erroneous entries into existing medical records and can involve the creation of fictitious medical records in the victim's name. Effective May 1, 2009, the Red Flags Rule will be applied to physician practices (classified as creditors) by the FTC.

**This law falls under the “Fair and Accurate Credit Transactions Act of 2003”
(PUBLIC LAW 108–159—DEC. 4, 2003)**

Visit <http://www.ftc.gov/> or <http://www.worldprivacyforum.org/> for more information.

Policy

As a creditor that holds transaction accounts belonging to consumers and as a recipient of credit card payments, it is the policy of South Michigan Ophthalmology to comply with all federal and state laws and reporting requirements regarding identity theft. Specifically, this policy outlines how South Michigan Ophthalmology will (1) identify, (2) detect and (3) respond to “red flags”. A “red flag” as defined by this policy includes a pattern, practice, or specific activity that indicates possible identity theft.

It is the policy of South Michigan Ophthalmology that pursuant to the existing HIPAA Security Rule, appropriate physical, administrative and technical safeguards will be in place to reasonably safeguard protected health information and sensitive information related to patient identity from any intentional or unintentional use or disclosure.

It is the policy of South Michigan Ophthalmology that all members of our staff have been trained on the policies and procedures governing compliance with the Red Flags Rule. Management and appropriate staff shall administer the program.

Procedures

I. Identify red flags. In the course of caring for patients, South Michigan Ophthalmology may encounter inconsistent or suspicious documents, information or activity that may signal identity theft. The following are identified as potential red flags, and this policy includes procedures describing how to detect and respond to these red flags:

1. 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 (explanation of benefits) for health care services never received.
2. Records showing medical treatment that is inconsistent with a physical examination or with a medical history as reported by the patient.
3. A complaint or question from a patient about the receipt of a collection notice from a bill collector.
4. A patient or health insurer report that coverage for legitimate hospital stays is denied because insurance benefits have been depleted or a lifetime cap has been reached.
5. A complaint or question from a patient about information added to a credit report by a health care provider or health insurer.
6. A dispute of a bill by a patient who claims to be the victim of any type of identity theft.
7. A patient who has an insurance number but never produces an insurance card or other physical documentation of insurance.
8. A notice or inquiry from an insurance fraud investigator for a private health insurer or a law enforcement agency, including but not limited to a Medicare or Medicaid fraud alert.
9. Any other circumstances which may indicate identity theft or fraud.

II. Detect red flags. South Michigan Ophthalmology's staff will be alert for discrepancies in documents and patient information that suggest risk of identity theft or fraud. We will verify patient identity and insurance coverage at the time of patient registration/check-in.

Procedure:

1. When a patient calls to request an appointment, the patient will be asked to bring the following at the time of the appointment:
 - * Drivers license or other photo ID;
 - * Current health insurance card; and
 - * Utility bill or other correspondence showing current residence if the photo ID does not show the patient's current address.
 - * If the patient is a minor, the patient's parent or guardian should bring the information listed above.
2. When the patient arrives for the appointment, the patient will be asked to produce the information listed above. **This requirement may be waived for patients who have visited our office within the last six months.**
3. If the patient has not completed the registration form within the last six months, registration staff will verify current information on file and, if appropriate, update the information.
4. Staff should be alert for the possibility of identity theft in the following situations:
 - * 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.
 - * Information on one form of identification the patient submitted is inconsistent with information on another form of identification or with information already in the practice's records.
 - * An address or telephone number is discovered to be incorrect, non-existent or fictitious.
 - * The patient fails to provide identifying information or documents.
 - * The patient's signature does not match a signature in the practice's records.
 - * The Social Security number or other identifying information the patient provided is the same as identifying information in the practice's records provided by another individual, or the Social Security number is invalid.

III. Respond to Red Flags. If an employee of South Michigan Ophthalmology detects fraudulent activity or if a patient claims to be a victim of identity theft, South Michigan Ophthalmology management will respond to and investigate the situation. If the fraudulent activity involves protected health information coverage under HIPAA security standards, we will also apply our existing HIPAA security policies and procedures to the response.

Procedure if potentially fraudulent activity (a red flag) is detected:

1. The employee should gather all documentation and report the incident to his or her immediate supervisor.
2. The supervisor will determine whether the activity is fraudulent or authentic.
3. If the activity is determined to be fraudulent, immediate action is required.

Actions may include:

- * Cancel the transaction;
- * Notify appropriate law enforcement;
- * Notify the affected patient;
- * Notify the affected physician; and
- * Assess impact to practice.

If a patient claims to be a victim of identity theft:

1. The patient should be encouraged to file a police report for identity theft if he/she has not done so already.
2. The patient should be encouraged to complete the **ID Theft Affidavit** developed by the FTC, along with supporting documentation. A copy of this form can be found at: <http://www.ftc.gov/bcp/edu/resources/forms/affidavit.pdf>
3. South Michigan Ophthalmology will compare the patient's documentation with the personal information in the practice's records.
4. If following investigation, it appears that the patient has been a victim of identity theft, South Michigan Ophthalmology will promptly consider what further remedial act/notifications may be needed under the circumstances.
5. The physician will review the affected patient's medical record to confirm whether documentation was made in the patient's medical record that resulted in inaccurate information in the record. If inaccuracies due to identity theft exist, a notation should be made in the record to indicate identity theft.
6. South Michigan Ophthalmology will determine whether any other records and/or ancillary service providers are linked to inaccurate information. Any additional files containing information relevant to identity theft will be removed and appropriate action taken. The patient is responsible for contacting ancillary service providers.
7. If following investigation, it does not appear that the patient has been a victim of identity theft, South Michigan Ophthalmology will take whatever action it deems appropriate.