



Cases – Applying the **Red Flags** Rule in Your Practice

1. A client is moving from New York to Florida and they would like you to fax their pet's medical record to a veterinary practice in Florida. Are there any red flags associated with this request that could lead to potential identity theft?
 - If there is any private personal information, such as, driver's license number, checking information, or credit/debit card information about the client within the pet's medical record then you must first remove this information before faxing the medical record.
2. A client's pet required emergency pyometra surgery. The client is unable to pay the bill in full and requests to make payments over time with multiple checks. Are there any red flags associated with this request that could lead to potential identity theft?
 - Since this is a form of deferred payment and the red flags rule applies. You must take steps to safeguard the checks during the "holding process."
3. A client's daughter brings the family pet into the practice for a urinary infection. Diagnostic work-up and medical treatment exceeds the amount of cash that the client had given her daughter for the treatment. Your receptionist contacted the client - the client provided the receptionist with credit card information over the phone. Are there any red flags associated with this financial transaction that could lead to potential identity theft?
 - Although accepting payment by credit card does not fall under the Red Flags Rule, there are potential identity theft risks with this scenario.
 - i. How can your receptionist be certain that the credit card information truly belongs to the client? When accepting credit card information over the phone, you cannot validate authenticity of the card holder by checking signatures or comparing physical features from a photo id.
 - ii. Another potential risk for identity theft in this scenario deals with the written credit card information that the receptionist collects. After the credit transaction has been processed and approved. Did the receptionist properly destroy the written credit card information?
4. An equine veterinarian performs a lameness exam on a standard bred racehorse at the Meadowlands on Monday, May 15th. The veterinarian mails a bill for her services to the owner of the racehorse at the end of the month. Are there any new Federal Rules this veterinarian must follow to be compliant with the law. Yes. As of May 1st, 2009, she will need to develop a program to prevent, detect, and mitigate identity theft. She will need to construct an Identity Theft Prevention Program that is applicable to her veterinary practice. This Program must be in writing. There must be an oversight of the Program and there must be staff training on the Program.