

E-Newsletter

May 2010

Update: Red Flag Rule

The Federal Trade Commission last November extended the moratorium on the Red Flag Rule until June 1, 2010. However, there has been "some" movement by Congress regarding the actual implementation of the Rule. This past October (2009), the House passed a bill by a 400-0 vote, which would exempt a substantial majority (and possibly all) dental practices from compliance of the proposed Red Flag Rule. At this point, it is unknown if the Senate will act on this matter prior to June 1, 2010.

Under the House bill (H.R. 3763), small businesses, including dental practices, would be exempt from being required to comply with the Rule, which requires financial institutions and creditors to develop written plans to prevent and detect identity theft.

It is important to note that unless a subsequent moratorium is issued by June 1, 2010, the FTC Red Flag Rule would become effective June 1, 2010.