

Checklist for Working Toward Compliance with the Red Flag Rules

Although no two practices are exactly alike, the checklist below can be used as a starting point for compliance with the Red Flag Rules.

- Recognize that HIPAA is no longer the only federal law that governs your protection of sensitive data and appoint a person to review the Red Flag Rules and lead compliance efforts.
- Review the 26 example red flags and identify which of them is relevant to your practice and processes listed in the [CFR681 Appendix document](http://www.flurgeons.org/redflagrules/appendix.pdf) (<http://www.flurgeons.org/redflagrules/appendix.pdf>).
- Identify employees who are involved in verifying the identity of patients and “admitting” them to the practice as they arrive. Involve these employees in the review of red flags and development of a compliance plan.
- Create a procedure for detecting when red flags occur in your practice.
- Develop a policy that outlines how your practice will respond when red flags are detected.
- The policy and procedure should be appropriate to the size and complexity of the practice and its activities.
- Set an internal deadline for reviewing the policy and procedure to ensure that the program is updated periodically to reflect changes in risks.
- Document approval of the new red flags policy and procedure by the Board of Directors or a committee thereof.
- Train staff, as necessary, to effectively implement the policy and procedure.

As burdensome as the Rules seem, they carry with them an important business and compliance purpose, and the sanctions for violation can be severe. Ideally, these new policies and procedures will supplement your practice’s HIPAA compliance efforts and enhance patient confidence in your practice’s concerns for protecting data and avoiding identity theft events.

Because patient intake and record retention systems differ from one medical practice to another, it is important to have a Red Flag Rules compliance plan that is tailored specifically to your practice. If you have questions about the Red Flag Rules or need assistance implementing a compliance program or finalizing policies and procedures, contact your legal counsel for further information.