

Identity Theft Precautions for Private Practitioners



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Periodically, private practitioners hear news of a security breach involving the inadvertent release or loss of sensitive information which mental health colleagues provided about themselves when completing insurance claim forms; such information can include the clinicians names, Social Security numbers (when used as a Tax Identification Number), phone numbers, and office and billing addresses. Security breaches are becoming increasingly commonplace now days as information is stored and transferred electronically (i.e., on and between computers), with the advent of HIPAA policies permitting the ready exchange of medical and billing information between offices and organizations, and with laptop computers and the associated electronic storage media (e.g., hard drives, DVDs, thumb drives, etc.) being so portable and therefore frequently transported out of the office.

Security breaches place clinicians at risk of becoming the victims of identity theft, and the many problems and headaches that ensue from this. While it's nearly impossible for most of us to avoid submitting insurance claims as either in or out of network clinicians, it is possible to take precautions that will reduce the impact that a security breach could have on you.

Here are some of steps you can take now to protect yourself.

1) Obtain an EIN (from the IRS at www.irs.gov) to use as a Taxpayer Identification Number (TIN) when completing insurance claim forms and other bills, in lieu of using your Social Security number. If a criminal obtains your EIN, the scope of the damage that can be done is more limited than if he or she were to obtain your Social Security number (SSN). Despite its name, the EIN, also known as an Employer Identification Number, can be obtained by any small business proprietor (private practitioners: this means you!), even those of us who do not employ any staff. Getting your EIN quick and easy; for more information and to obtain your EIN go to www.irs.gov/businesses/small/article/0,,id=98350,00.html.

Once you've got your EIN, contact prior payors - insurance companies and other organizations who have previously made payments to you (and therefore have your SSN on file) and who you plan to continue to submit claims or invoices to, requesting that your records are updated to reflect the change. If, as an in-network provider, you participate in CAQH, also inform them. In-network providers will certainly need to do this. But out of network clinicians should also take this step, which will help to minimize mistakes and delays in processing out of network claims submitted with your new EIN. Don't forget to inform any Employee Assistance Programs and other organizations that pay you as an independent contractor (as opposed to an employee). You won't need to

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FTC Red Flags Rule Enforcement Delayed

The FTC has announced that it is again delaying enforcement of the Identity Theft "Red Flags" Rule **until June 1, 2010**. One of the controversial aspects of the Rule was its applicability to health care professionals, particularly small or solo practitioners. The Rule has been delayed previously on two separate occasions.

As the regulatory situation has grown more difficult, a number of health and other professionals have approached Congress seeking a legislative solution. Congress has responded with quick movement on a bill, HR. 3763, which would exclude licensed health practices with fewer than 20 people in a practice from reporting under the Fair Credit Reporting Act and from the Red Flags Rule. The bill was introduced in the House and passed the floor a brief three weeks after introduction. It is now pending before the Senate where momentum could slow down in response to the FTC's action postponing implementation of the regulation.

NASW provided information about the identity theft regulations which was published in the September/October 2009 issue of *Update*.

For more information go to www.ftc.gov/opa/2009/10/redflags.shtm

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inform insurance companies or other organizations with whom you have not yet had contact, as they will obtain your new TIN (the EIN) from the first claim form, the provider application (or CAQH) and/or the W-9 (Request for Taxpayer Identification Number and Certification) on which you will provide your new EIN. Once you've made these changes, remember to use your EIN whenever an insurance company, EAP or other organization that pays you for your services asks you to provide your Tax ID Number on an application, bill or W-9 form.

I realize that for some, making these changes will be a big job. However, in the long run, taking these preventive measures will save you time and worry when security breaches occur. If it feels too formidable, you could start by obtaining an EIN and having it available for use on new accounts. You could then plan to change your records with one insurance company each month, or to make the changeover when business is slow, perhaps completing one each week during the summer months. During this transition period you'll need to keep track of which TIN is on file with each organization, and to remember not to use your EIN with those organizations who still have your SSN on file until you have informed them of the change.

2) Regularly review the your credit history reports compiled by each of the three credit reporting companies: Equifax, Experian, and TransUnion. A free report is available on a yearly basis; www.AnnualCreditReport.com

is a centralized service created jointly by the three credit reporting agencies where you can request your free credit report. Many authorities recommend staggering the three free annual reports (one from each of the credit reporting agencies) so that you'll receive a different one every four months, allowing you to more frequently monitor and detect any fraudulent activity.

3) Consider placing a "freeze" on your credit files. NY State is one of a number of states that affords residents this option. Having your credit reports frozen involves some inconveniences, as well as providing added protections. New York State residents can get more information about credit freezes at www.consumer.state.ny.us/internet_security.htm.

4) Clinicians who have (or are contemplating) a home office, and those who use their home address as a billing address should consider the implications and risks of these practices. In terms of identity theft, keep in mind that insurance claim forms require that the clinician identify the address where the counseling services were provided; if these records were lost or stolen, this could result in the inadvertent disclosure of the clinician's home address.

5) Educate yourself about identity theft: The Identity Theft Resource Center at www.idtheftcenter.org and Consumer Reports (www.ConsumerReports.org) are two reliable, informative resources.

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