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NCPA Hails Senate Vote to Exempt Pharmacies from ‘Red Flags’ Regulation Intended for Financial Institutions

ALEXANDRIA, Va. (Dec. 1, 2010) – The [National Community Pharmacists Association](#) (NCPA) today commended the U.S. Senate for approving bipartisan legislation Tuesday night to remove pharmacists, among others, from the scope of a burdensome [Federal Trade Commission](#) (FTC) rule. The House of Representatives is expected to pass the bill during the current legislative session.

The FTC, along with six other agencies, issued regulations known as the "[Red Flags](#)" Rule. It is geared toward financial institutions and other creditors, requiring such entities to develop and implement identity theft prevention and detection programs. The regulation has been wisely and repeatedly delayed by the FTC over questions about its applicability to certain groups, among other issues, and is currently scheduled to take effect Dec. 31.

Senators [Mark Begich](#) (D-Alaska) and [John Thune](#) (R-S.D.) authored bipartisan legislation (S. 3987) earlier this year – with the support of Senators [Chris Dodd](#) (D-Conn.), [Richard Shelby](#) (R-Ala.) and the FTC – to exempt many small businesses. In recent months, NCPA worked with the Senators' offices to ensure that community pharmacies would be exempted from the rule.

"Community pharmacists provide expert, cost-saving medication counseling and other essential services to patients, often despite significant regulatory burdens at the federal and local levels," said NCPA Executive Vice President and CEO Kathleen Jaeger. "We commend Senators Begich, Dodd, Shelby and Thune for their hard work to ensure that reasonable consumer protections can go forward without unduly burdening pharmacists and other providers with unnecessary, time-consuming requirements."

According to the [Congressional Record](#), Dodd said in a colloquy that the legislation "makes clear" that pharmacists and "other types of health care providers and other service providers will no longer be classified as 'creditors' for the purposes of the Red Flags Rule just because they do not receive payment in full from their clients at the time they provide their services, when they don't offer or maintain accounts that pose a reasonably foreseeable risk of identity theft."

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The National Community Pharmacists Association (NCPA®) represents the interests of America's community pharmacists, including the owners of more than 23,000 independent community pharmacies, pharmacy franchises, and chains. Together they represent a \$93 billion health-care marketplace, have more than 315,000 employees including 62,400 pharmacists, and dispense over 41% of all retail prescriptions. To learn more go to www.ncpanet.org or read NCPA's blog, The Dose, at <http://ncpanet.wordpress.com>.