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UNITED STATES OF AMERICA
THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Edith Ramirez, Chairwoman**
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright

In the Matter of	)	
	)	**DOCKET NO. C-**
ACCRETIVE HEALTH, INC.	)	

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that Accretive Health, Inc. has violated the provisions of the Federal Trade Commission Act ("FTC Act"), and it appearing to the Commission that the proceeding is in the public interest, alleges:

1. Respondent Accretive Health, Inc. ("Accretive Health" or "Respondent") is a Delaware corporation with its principal executive office located at 401 North Michigan Avenue, Suite 2700, Chicago, Illinois.

2. The acts or practices of Accretive Health as alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. §44.

ACCRETIVE HEALTH'S BUSINESS ACTIVITIES

3. Accretive Health enters into service agreements with hospital systems around the country to provide services related to the hospital systems' "revenue cycle" operations. Revenue cycle includes registration, transcription, coding and medical documentation, billing, denial management, strategic pricing, and collection of past due accounts. In exchange for these services, hospital systems pay Accretive Health both fixed fees and incentive payments based on a percentage of the monetary benefit from increased revenues.

4. Accretive Health provides services through technology, operating methodology, and by placing some revenue cycle managers into the hospital system's existing processes to augment its revenue cycle operations. Accretive Health employees work at hospital facilities to assist with these services.

RESPONDENT'S SECURITY PRACTICES

5. As part of its service to client hospitals, Accretive Health collects, maintains, and has access to information about hospitals' patients, including personal information. This information may include patient names, dates of birth, billing information, diagnostic information, and Social Security numbers.

6. Until at least July 2011, Accretive failed to provide reasonable and appropriate security for consumers' personal information it collected and maintained by engaging in a number of practices that, taken together, unreasonably and unnecessarily exposed consumers' personal data to unauthorized access. Among other things, Accretive Health created unnecessary risks of unauthorized access or theft of personal information by:

a. Transporting laptops containing personal information in a manner that made them vulnerable to theft or other misappropriation;

b. Failing to adequately restrict access to, or copying of, personal information based on an employee's need for information;

c. Failing to ensure that employees removed information from their computers for which they no longer had a business need; and

d. Using consumers' personal information in training sessions with employees and failing to ensure that the information was removed from employees' computers following the training.

7. Accretive Health's failures to provide reasonable and appropriate security for consumers' personal information resulted in a July 2011 incident in Minneapolis, Minnesota in which an Accretive Health laptop containing over 600 files with over 20 million pieces of information related to 23,000 patients was left in the locked passenger compartment of the employee's car and stolen. The laptop included sensitive personal and health information, including patient names, dates of birth, billing information, diagnostic information, and Social Security numbers. The user of this laptop had data that was not necessary to perform his job.

VIOLATIONS OF THE FTC ACT

8. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits ''unfair or deceptive acts or practices in or affecting commerce."

9. As set forth in Paragraphs 6 and 7, Respondent failed to employ reasonable and appropriate measures to protect personal information against unauthorized access. Respondent's practices caused, or are likely to cause, substantial injury to consumers that is not offset by countervailing benefits to consumers or competition and is not reasonably avoidable by consumers. These practices were, and are, an unfair act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

THEREFORE, the Federal Trade Commission, this ____ day of ____, 2014, has issued this complaint against Accretive Health.

By the Commission.

Donald S. Clark
Secretary

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