

Compliance Today – December 2021 Five signs your organization’s real estate compliance program needs first aid

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In fiscal year 2020, the Department of Justice obtained more than \$2.2 billion in settlements and judgments from civil cases involving fraud and false claims against the government.^[1] Of the \$2.2 billion, \$1.8 billion involved “the healthcare industry, including drug and medical device manufacturers, managed care providers, hospitals, pharmacies, hospice organizations, laboratories, and physicians,” and \$1.6 billion arose from whistleblower lawsuits, which are filed under the qui tam provisions of the False Claims Act. The recoveries in 2020 marked the first year since 2009 in which civil healthcare fraud settlements and judgments involving the Department of Justice did not exceed \$2 billion,^[2] and that can likely be attributed to the disruptions caused by the COVID-19 pandemic. Simply put, the healthcare industry is in the government’s crosshairs.

Despite these astronomical numbers, many health systems fail to take compliance seriously. Viewed by many organizations as cost centers, some compliance departments are not adequately funded and staffed and are not given the necessary authority within the organization to enforce and maintain a culture of compliance. In addition, many organizations view compliance as the responsibility of only the compliance and the legal departments and not of the entire organization.

Prudent health systems, however, know better. They understand that compliance has a significant impact on the financial performance of the organization and its long-term viability. Years of profitable business ventures can be wiped out by a single healthcare fraud lawsuit. Some lawsuits have required systems to enter burdensome corporate integrity agreements or, even worse, forced systems to sell or close all together. Recognizing the importance of entering into business arrangements that are not in violation of the applicable laws, prudent health systems make compliance an integral part of their corporate cultures and invest resources to establish and operate effective compliance programs.

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