

In The News

Allison Nelson Explains Importance of Lease Portfolio Auditing in *Healthcare Facilities Today* Article

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Allison Nelson wrote an article for *Healthcare Facilities Today* explaining the importance of conducting an audit of a leasing portfolio as a preventative measure in order to avoid fines in the future.

“Space arrangements governed by the federal Stark Law or Anti-kickback Statute, or state corollaries, must be in writing and signed by both parties prior to space use, rent must be at fair market value, and the space must be accurately delineated. While meeting these requirements seem simple, a myriad of issues may arise during the arrangement’s life cycle which create compliance risk.”

“The initial real estate portfolio audit can be structured to identify individual undocumented use of space and non-compliant arrangements, as well as system deficiencies.”

“To identify undocumented use, engage in space surveys. Space surveys should drill down on actual use by conducting virtual walk-throughs of space with operators. Think about the everyday use of space. Where does the physician get coffee and is this room part of the space the physician is permitted to use? Does the physician use the adjacent conference room? If the physician has a part-time sublease but stores records on site full-

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time, then does rent account for this full-time use? These practical, simple questions can identify use that may not be apparent on first review of a floor plan.”

“After identifying issues through the initial audit and implementing process improvements, enact a process for ongoing monitoring. As a first line of defense, ensure that when an arrangement is renewed or amended, it is reviewed for compliance.”

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