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The Honorable Tom Coburn, M.D.
Chairman, Subcommittee on Federal Financial Management,
Government Information, and International Security
Committee on Homeland Security and Governmental Affairs
U.S. Senate

*Subject: Subcommittee Post-Hearing Questions Concerning Efforts by the
Departments of Veterans Affairs and Defense to Exchange Electronic Medical
Information and Veterans Affairs' Efforts on the Veterans Service Network
(VETSNET)*

This letter responds to your request of July 10, 2006, that we provide the answers to questions relating to our testimony of June 22, 2006.¹ At that hearing, we discussed efforts by the Departments of Veterans Affairs (VA) and Defense (DOD) to share electronic medical information, as well as VA's development of the Veterans Service Network (VETSNET), a modernized system intended to support benefits payment processes. Your questions, along with our responses, follow:

- 1. Do you expect VA and DOD to successfully complete their new systems (AHLTA and HealthVet) and the interface between their data repositories within the projected time frame?*

Given delays in development of the interface and the new health information systems, VA and DOD may be challenged in completing these initiatives within the projected time frame.

- The departments have been developing an interface to link their two new data repositories; this interface, known as CHDR (a name derived from the abbreviations for DOD's Clinical Data Repository—CDR—and VA's Health Data Repository—HDR), is currently in pilot testing at a joint VA/DOD facility in El Paso, Texas. According to department officials and project documentation, the original deadline for the exchange of selected health information through CHDR was October 2005. However, by September 2005, this deadline had slipped to February 2006 and later slipped to July 2006. According to VA officials,

¹ GAO, *Information Technology: VA and DOD Face Challenges in Completing Key Efforts*, GAO-06-905T (Washington, D.C.: June 22, 2006).

reasons for the delays included the complexity of implementing standards to enable the exchange of computable outpatient pharmacy information, which was far greater than originally anticipated. If successful, the pilot test of CHDR will mark the first time that VA and DOD have exchanged computable information between their data repositories. However, even after the departments successfully establish the interface, much work remains to populate both repositories with all the medical information they wish to exchange.

- The departments have experienced delays in the completion of VA's and DOD's next-generation health information systems, Health_eVet VistA and AHLTA. Regarding Health_eVet VistA, according to VA officials, the department's work on this initiative has been slowed by funding constraints. As a result, VA has had to reevaluate its plans for the project, which may decrease its chances of completing the project by the 2012 projected completion date. Regarding AHLTA, we recently reported that DOD expects to complete deployment of all capabilities by 2011—3 years later than planned. In addition, according to a recent DOD Inspector General report,² completion of the next increment of AHLTA remains at high risk.

2. *How will computable information improve the care received by VA and DOD patients?*

According to the Institute of Medicine,³ computable electronic health records will help reduce many of the errors that plague the health care industry. Although many of these errors are caught in time to prevent serious harm, errors pose a significant risk to patient safety. The Institute of Medicine characterized significant errors as including both errors of commission—such as prescription of drugs with potential interaction risks—and errors of omission—such as failure to prescribe a medication that would benefit a patient. Computable information is in a format that a computer application can act on: for example, to provide alerts to clinicians (of such things as drug allergies) or to plot graphs of changes in vital signs such as blood pressure. In addition to catching errors, computer alerts also have the potential to help identify abnormal results and lead to faster treatment. Computer alerts may also reduce the occurrence of adverse events. Systems that can automatically provide alerts and clinical reminders can enhance preventative practices and improve overall quality of patient care. According to VA and DOD, the availability of shared computable medical data will contribute significantly to patient safety and the usefulness of electronic medical records.

3. *Are you satisfied that a detailed project plan will decrease the risks that VA and DOD face in developing and implementing the interface?*

² Department of Defense, Office of Inspector General, *Information Technology Management: Acquisition of the Armed Forces Health Longitudinal Technology Application*, D-2006-089 (Arlington, VA: May 18, 2006).

³ Institute of Medicine, *Patient Safety: Achieving a New Standard for Care* (Washington, D.C.:2004) and *Key Capabilities of an Electronic Health Record System* (Washington, D.C.: 2003).

A detailed project plan that provides sufficient specificity defining the technical and managerial processes necessary to satisfy requirements and establishes accountability for all of the tasks to be performed in developing, testing, and implementing the interface will decrease the risks that VA and DOD face. As we have noted in a previous report,⁴ without a project management plan, VA and DOD lack assurance that they can successfully develop and implement an electronic interface and the associated capability for exchanging health information within the time frames that they have established.

The departments have missed several deadlines with regard to achieving an electronic interface between their data repositories. Having a project management plan of sufficient specificity that outlines their overall efforts beyond building the interface may help the departments avoid further delays and increase the chances that they produce health systems that meet their expectations.

4. *Based on GAO's previous work and the history associated with VETSNET, do you think that VA will ever successfully complete the project?*

As noted in our testimony,⁵ until VBA develops an integrated project plan addressing the long-standing management weaknesses that we and others have identified, there is considerable risk that progress will continue to be discouraging. A plan is also needed that encompasses all activities necessary to transition from the aging Benefits Delivery Network to VETSNET. Until such plans are formulated, with management controls to ensure clear accountability, measure performance, and otherwise effectively control and evaluate the program, it is uncertain when and at what costs VETSNET will be delivered.

VBA reports that it is now developing a new integrated project plan that is to include realistic milestones. However, this plan is to address compensation and pension benefits only. According to VBA officials, after this new integrated project plan is completed, it will begin developing plans to modernize the systems used for educational benefits and vocational rehabilitation and employment benefits. These systems must be included within its goal to modernize or replace the Benefits Delivery Network. VBA has not yet developed plans for making the transition to VETSNET and ending dependence on the Benefits Delivery Network. As a result, much work remains to accomplish the original comprehensive goal of modernizing the Benefits Delivery Network that VBA currently depends on to pay veterans' benefits. Consequently, without specific, realistic plans to address these matters, it is likely that underlying management and organizational problems will continue to hamper any new or revised effort.

These risks, however, can be reduced, if VBA develops adequate plans, makes concerted monitoring and control efforts, and gives VETSNET the management attention and evaluation needed to ensure that deviations from plans are reduced, prevented, or quickly detected and corrected. Such actions should increase the likelihood that VA will successfully complete the project.

⁴ GAO, *Computer-Based Patient Records: VA and DOD Efforts to Exchange Health Data Could Benefit from Improved Planning and Project Management*, GAO-04-687 (Washington, D.C.: June 7, 2004).

⁵ GAO-06-905T.

5. *In your view, what are the underlying reasons for VA's lack of success with VETSNET?*

As noted in our testimony,⁶ the VETSNET initiative has been hampered by project management issues and immature software development capabilities. The 2005 Carnegie Mellon Software Engineering Institute (SEI) technical assessment of VETSNET found that root causes such as the program's underlying management and organizational problems required attention regardless of the particular course VA chose for the system. Some examples noted in the SEI independent technical assessment were the need to set realistic milestones and establish an effective requirements process and program measurements to assess progress. According to SEI, different organizational components had independent schedules and priorities, which caused confusion and deprived the department of a program perspective. These observations are consistent with our long-standing concerns regarding fundamental deficiencies in VBA's management of the project.

In addition, we have reported that an additional underlying factor that may affect the VETSNET program is the very nature of the VA disability benefits⁷. More specifically, more than 200 laws govern VA's disability compensation program, and numerous court decisions have affected how compensation is determined. As a result, compensation decisions are based on elaborate procedures reflecting this complex history, which affects the number of claims VA receives and decides and the mechanisms used, including automated systems. Consequently, any effort, such as VETSNET, to modernize the system administering the disability claims processing function must effectively accommodate this complexity.

6. *Both the DOD and the VA have begun new and costly initiatives in health IT in 2004–2005, for which both agencies have taken some steps to respond to GAO's earlier critiques and recommendations. GAO found in a September 2005 report that both agencies had not yet developed a clearly defined project management plan to guide their efforts; had not yet fully populated the repositories that will store the data for planned health systems; and had experienced significant delays in efforts to begin even a limited data exchange. In addition, GAO found the agencies "severely challenged in their pursuit of the longer term objective—providing a virtual medical record in which data are computable... and in a format that the health information application can act on." What are the most recent short- and long-term goals that GAO has been made aware of by the agencies to exchange "computable" medical information?*

In the short term, as discussed earlier, VA and DOD are pilot testing CHDR at their joint facility in El Paso. If the pilot is successful, a functioning CHDR interface at El Paso will allow them to exchange limited data, including outpatient pharmacy data, medication allergy information, and patient demographic information on shared patients at that location. According to the VA/DOD Director of Health IT Sharing,

⁶ GAO-06-905T.

⁷ GAO, *Veterans' Disability Benefits: Claims Processing Problems Persist and Major Performance Improvements May Be Difficult*, GAO-05-749T (Washington, D.C.: May 26, 2005).

once the interface is successfully tested, the departments will have the capability to expand to all VA sites and to all DOD sites that have implemented the first increment of AHLTA. DOD officials have stated that they plan to have the first increment of AHLTA in place at all military treatment facilities by the end of 2006. According to the Director, at that time, the departments will be able to exchange computable outpatient pharmacy information on shared patients at all their facilities. They have begun work to exchange information on laboratory results.

In the longer term, under the HealthPeople (Federal) initiative,⁸ the departments envision that, on entering military service, each service member would have a virtual medical record created and stored in DOD's Clinical Data Repository. The record would be updated as he or she received medical care. When an individual separated from active duty and, if eligible, sought medical care at a VA facility, a VA medical record would then be created for that patient, which would be stored in VA's Health Data Repository. On viewing the medical record, the VA clinician would be provided with the ability to access the patient's clinical information residing in DOD's repository. In the same manner, when a veteran sought medical care at a military treatment facility, the attending DOD clinician would be provided with the ability to access to the health information in VA's repository. According to the departments, this planned approach would make virtual medical records displaying all available patient health information from the two repositories accessible to both departments' clinicians.

7. *GAO has reported that although the agencies have taken action on many of their recommendations, the CHDR effort still lacks a sufficiently detailed project plan. Is it expected that there will be separate DOD and VA management plans, as well as a combined DOD-VA comprehensive plan? Has GAO been notified of the existence of such plans?*

For efforts in which multiple agencies are involved, each may have a separate management plan to govern its own efforts, but we have emphasized the need to have an overall integrated plan among agencies, especially for complex projects. We have not been notified by either department that it has a separate individual management plan for the CHDR effort and we are not aware that such plans exist.

8. *The success of VA and DOD efforts to exchange medical information will depend, at least in part, on the departments' abilities to communicate and collaborate effectively. What mechanisms is GAO aware of that DOD and VA have put in place to ensure that this happens?*

VA and DOD have a joint strategic plan that guides their collaboration and communication to achieve shared goals through mutual support of common and unique mission requirements. Within the framework of the plan, they have set up a Joint Executive Council (JEC) and a Health Executive Council (HEC) to provide oversight of the interaction between the two agencies.

⁸This initiative is premised on the departments' development of a common health information architecture comprising standardized data, communications, security, and high-performance health information systems. The joint effort is expected to result in the secured sharing of health data between the new systems that each department is currently developing and beginning to implement.

Established in February 2002, JEC was created to enhance VA and DOD collaboration, ensure the efficient use of federal resources, remove barriers and address challenges that impede collaborative efforts, assert and support mutually beneficial opportunities to improve business practices, and develop a joint strategic planning process to guide the direction of sharing activities. This council is co-chaired by the Deputy Secretary of Veterans Affairs and the Under Secretary of Defense for Personnel and Readiness. Membership consists of senior leaders from both departments (including, from VA, the Under Secretary for Benefits and the Under Secretary for Health, and from DOD, the Principal Deputy Under Secretary of Defense for Personnel and Readiness and the Assistant Secretary for Health Affairs). JEC's primary responsibility is to set strategic priorities for HEC and three other interagency bodies,⁹ monitor the development and implementation of the Joint Strategic Plan, and ensure that accountability is incorporated into all joint initiatives.

In August 2003, JEC directed HEC to oversee the cooperative efforts of each department's health care organizations. HEC is co-chaired by the VA Under Secretary for Health and the Assistant Secretary of Defense (Health Affairs) and meets on a bimonthly basis. To institutionalize VA and DOD sharing and collaboration through the efficient use of health services and resources, HEC has organized itself into 11 workgroups, each of which has been charged to focus on specific high-priority areas of national interest. Areas that workgroups are addressing include joint facility utilization and resource sharing, information management/information technology, patient safety, and pharmacy.

In addition to these councils, at the project level, the departments have shared responsibility. Responding to our recommendation,¹⁰ the departments implemented a joint project management structure for CHDR. The joint project management structure consists of a Program Manager from VA and a Deputy Program Manager from DOD, who provide day-to-day guidance for the initiative.

9. Based on extensive years of reporting on dual DOD and VA electronic health data exchanges, are there other outstanding repeat recommendations made by the GAO to the agencies that have not been followed, particularly in the areas of performance management?

VA and DOD have not yet completed implementation of our recommendation to create a detailed project plan for developing and implementing CHDR. Since we began reporting on VA's and DOD's efforts to exchange electronic health data, we have issued three reports with recommendations aimed at encouraging progress to

⁹ JEC has two interagency councils and two interagency committees to facilitate collaboration and sharing opportunities: (1) HEC, (2) the Benefits Executive Council, (3) the Joint Strategic Planning Committee, and (4) the Construction Planning Committee.

¹⁰ We recommended in 2004 that the departments establish a project management structure to provide day-to-day guidance of and accountability for their investments in and implementation of the interface.

achieve a two-way exchange of health information between VA and DOD.¹¹ The departments have implemented the remaining recommendations from these reports which focus on strengthening the management and oversight of electronic health data exchange projects.

10. Are you aware of efforts being made by DOD and VA to develop performance measures and evaluation plans necessary to determine the progress of each of the agencies' health care resource-sharing plans, projects, and goals?

Earlier this year, we reported that while the departments' joint strategic plan identifies performance measures, they are not useful for evaluating how well the departments are achieving their health care resource-sharing goals. For example, the plan mentions 30 measures that could be used to assess the departments' progress in sharing health care resources, some of which may provide a useful snapshot of information, but do not provide long-term or longitudinal information for evaluating the usefulness of specific activities.

Accordingly, we recommended that to further advance health care resource sharing within VA and DOD, the departments should develop performance measures that would be useful for determining the progress of their health care resource-sharing goals. The departments agreed with this recommendation and stated that they have issued the VA/DOD Joint Executive Council Strategic Plan, Fiscal Years 2006-2008 (signed by VA and DOD on January 26, 2006)—a plan that revises and updates the original VA/DOD Joint Strategic Plan, and contains performance measures that demonstrate measurable progress relative to specific strategic milestones. However, we do not agree that the January 2006 plan fully addresses the concerns raised in the report, and reiterate our recommendation that useful measures be developed that provide specifics regarding time frames, implementation strategies, and the type of information that will be reported to program managers.

¹¹ GAO, *Computer-Based Patient Records: VA and DOD Efforts to Exchange Health Data Could Benefit from Improved Planning and Project Management*, GAO-04-687 (Washington, D.C.: June 7, 2004); *Computer-Based Patient Records: Better Planning and Oversight by VA, DOD, and IHS Would Enhance Health Data Sharing*, GAO-01-459 (Washington, D.C.: Apr. 30, 2001); and *Veterans Affairs: Sustained Management Attention Is Key to Achieving Information Technology Results*, GAO-02-703 (Washington, D.C.: June 12, 2002).

We are sending copies of this letter to the Secretary of Veterans Affairs and other interested parties. Should you or your offices have any questions on matters discussed in this letter, please contact me at (202) 512-6240 or by e-mail at koontzl@gao.gov. Key contributors to this correspondence include Barbara S. Oliver, Martin Katz, Eric Trout, Robert Williams, Jr., and Charles Youman.

Sincerely yours,

A handwritten signature in cursive script that reads "Linda D. Koontz".

Linda D. Koontz
Director, Information Management Issues