



Highlights of [GAO-10-579](#), a report to the Ranking Member, Committee on Veterans' Affairs, U.S. Senate

## Why GAO Did This Study

The Department of Veterans Affairs (VA) provides medical care, disability compensation, and vocational rehabilitation to veterans. The Veterans Health Administration (VHA)—a component of VA—provides care to over 5 million patients in more than 1,500 facilities. VHA relies on an outpatient scheduling system that is over 25 years old. In 2000, VHA began the Scheduling Replacement Project to modernize this system as part of a larger departmentwide modernization effort called *HealtheVet*. However, in February 2009, VA terminated a key contract supporting the project. GAO was asked to (1) determine the status of the Scheduling Replacement Project, (2) determine the effectiveness of VA's management and oversight of the project, and (3) assess the impact of the project on VA's overall implementation of its *HealtheVet* initiative. To do so, GAO reviewed project documentation and interviewed VA and contractor officials.

## What GAO Recommends

GAO is recommending that the Secretary of Veterans Affairs direct the Chief Information Officer to take six actions to improve key processes, including acquisition management, system testing, and progress reporting, which are essential to the department's second outpatient scheduling system effort. In written comments on a draft of this report, VA generally concurred with GAO's recommendations and described actions to address them.

View [GAO-10-579](#) or key components. For more information, contact Valerie Melvin at (202) 512-6304 or [melvinv@gao.gov](mailto:melvinv@gao.gov).

## INFORMATION TECHNOLOGY

### Management Improvements Are Essential to VA's Second Effort to Replace Its Outpatient Scheduling System

#### What GAO Found

After spending an estimated \$127 million over 9 years on its outpatient scheduling system project, VA has not implemented any of the planned system's capabilities and is essentially starting over. Of the total amount, \$62 million was expended for, among other things, project planning, management support, a development environment, and equipment. In addition, the department paid an estimated \$65 million to the contractor selected to develop the replacement scheduling application. However, the application software had a large number of defects that VA and the contractor could not resolve. As a result, the department terminated the contract, determined that the system could not be deployed, and officially ended the Scheduling Replacement Project on September 30, 2009. VA began a new initiative that it refers to as *HealtheVet* Scheduling on October 1, 2009. As of April 2010, the department's efforts on this new initiative had largely consisted of evaluating whether to buy or custom build a new scheduling application.

VA's efforts to successfully complete the Scheduling Replacement Project were hindered by weaknesses in several key project management disciplines and a lack of effective oversight that, if not addressed, could undermine the department's second effort to replace its scheduling system:

- VA did not adequately plan its acquisition of the scheduling application and did not obtain the benefits of competition.
- VA did not ensure requirements were complete and sufficiently detailed to guide development of the scheduling system.
- VA performed system tests concurrently, increasing the risk that the system would not perform as intended, and did not always follow its own guidance, leading to software passing through the testing process with unaddressed critical defects.
- VA's project progress and status reports were not reliable, and included data that provided inconsistent views of project performance.
- VA did not effectively identify, mitigate, and communicate project risks due to, among other things, staff members' reluctance to raise issues to the department's leadership.
- VA's various oversight boards had responsibility for overseeing the Scheduling Replacement Project; however, they did not take corrective actions despite the department becoming aware of significant issues.

The impact of the scheduling project on the *HealtheVet* initiative cannot yet be determined because VA has not developed a comprehensive plan for *HealtheVet* that, among other things, documents the dependencies among the projects that comprise the initiative. VA officials stated that the department plans to document the interdependencies, project milestones, and deliverables in an integrated master schedule as part of a project management plan that is expected to be completed by June 2010. In the absence of such a plan, the impact of the scheduling project's failure on the *HealtheVet* program is uncertain.