Why GAO Did This Study
VA and DOD initiated the iEHR program with the intent of developing a single, common electronic health record system to replace their existing health record systems. However, the departments subsequently changed their approach and instead began pursuing separate efforts to modernize or replace their existing systems and ensure their interoperability. The 2013 appropriations act restricted the obligation of VA and DOD fiscal year 2013 funds for the development of iEHR to not more than 25 percent until an expenditure plan that satisfied statutory conditions, including being reviewed by GAO, was submitted to the Senate and House Appropriations Committees. GAO’s objective was to determine the extent to which the iEHR expenditure plan satisfied six statutory conditions. To accomplish this, GAO analyzed the contents of the plan against the statutory conditions and applicable documentation, such as the President’s budget, to determine whether the plan met the conditions.

What GAO Found
The Departments of Veterans Affairs’ (VA) and Defense’s (DOD) fiscal year 2013 integrated Electronic Health Record (iEHR) expenditure plan satisfied one and partially satisfied five of the six statutory conditions specified in the Consolidated and Further Continuing Appropriations Act, 2013. Specifically, the plan:

- Satisfied the condition to relay detailed cost-sharing business rules by including a memorandum of agreement between the two departments that outlined cost-sharing provisions and principles within the VA/DOD Interagency Program Office (IPO).
- Partially satisfied the condition to define the budget and cost baseline for the development of the iEHR program by including the budget and cost baseline from fiscal years 2012 through 2018 for each department. However, the baseline, as reported, was not based on accurate estimates that reflected changes in the program’s direction.
- Partially satisfied the condition to identify the deployment timeline for the system. While the plan outlined milestone dates for achieving enhanced data interoperability and other near-term activities, it did not include a deployment timeline that could be linked to an integrated master schedule.
- Partially satisfied the condition to break out information related to the IPO’s annual and total spending for each department on iEHR. For example, the plan included the total amount obligated as well as a funding profile that showed the funds available for execution in 2013. However, program officials could not provide the basis for the spending estimates, as reported. In addition, according to VA officials, estimates reported did not consistently reflect the current approach to pursue two separate systems.
- Partially satisfied the condition to establish data standardization schedules by including high-level data mapping activities. However, the plan did not include a schedule for achieving data standardization.
- Partially satisfied the condition to comply with acquisition rules, requirements, guidelines, and systems acquisition management practices of the federal government. IPO officials asserted compliance with acquisition rules, but the plan did not explain the basis for this assertion.

Program officials stated that the focus of the work described in the plan was on the near-term activities that were prioritized following the change in approach to iEHR, but the budget and estimated spending amounts in the expenditure plan did not reflect the new direction of the program because the acquisition guidance from the department was not issued until after the plan had been completed. Thus, the expenditure plan did not provide an accurate view of the cost of the work to be done, nor offer significant insight into the future path for building electronic health record interoperability between the departments. As such, the plan does not provide adequate information for Congress, VA, and DOD to use it as a basis for measuring program success, accounting for the use of current and future appropriations, and holding the departments accountable for achieving an interoperable electronic health record.

What GAO Recommends
GAO is recommending that the departments ensure that any future expenditure plans include verifiable and accurate budget, cost, and spending information; a deployment timeline that is consistent with an integrated master schedule; a data standardization schedule; and the basis for their assertion of compliance with acquisition rules, requirements, guidelines, and systems acquisition management practices of the federal government. In joint comments on a draft of this report, DOD and VA concurred with GAO’s recommendation.

View GAO-14-609. For more information, contact Valerie C. Melvin at (202) 512-6304 or melvinv@gao.gov.