VA Needs to Identify and Report Existing System Costs

VA identified costs for VistA and its related activities adding up to approximately $913.7 million, $664.3 million, and $711.1 million in fiscal years 2015, 2016, and 2017, respectively—for a total of about $2.3 billion over the 3 years. However, of the $2.3 billion, the department was only able to demonstrate that approximately $1 billion of these costs were sufficiently reliable.

In addition, the department omitted VistA-related costs from the total. The lack of a sufficiently reliable and comprehensive total cost for VistA is due in part to not following a well-documented methodology that describes how the department determined the costs for the system. As a result of incomplete cost data and data that could not be determined to be sufficiently reliable, the department, legislators, and the public do not have a complete understanding of how much it has cost to develop and maintain VistA. Further, VA lacks the information needed to make decisions on sustaining the many versions of the system.

In its report being issued today, GAO is recommending that VA develop and implement a methodology for reliably identifying and reporting the total costs of VistA. The department agreed with the recommendation.

Why GAO Did This Study
VA provides health care services to approximately 9 million veterans and their families and relies on its health information system—VistA—to do so. However, the system is more than 30 years old, is costly to maintain, and does not fully support exchanging health data with DOD and private health care providers. Over nearly 2 decades, VA has pursued multiple efforts to modernize the system. In June 2017, the department announced plans to acquire the same system—the Cerner system—that the Department of Defense is implementing. VA plans to continue using VistA during the department’s decade-long transition to the Cerner system.

GAO was asked to summarize its report that is being released today which discusses, among other things, (1) the extent to which VA has defined VistA and (2) the department’s annual costs to develop and sustain the system.

In preparing the report on which this testimony is based, GAO analyzed documentation that defines aspects of VistA and identifies components to be replaced; and evaluated the reliability of cost data, including funding obligations associated with the development and sustainment of VistA for fiscal years 2015, 2016, and 2017.

What GAO Recommends
In its report being issued today, GAO is recommending that VA develop and implement a methodology for reliably identifying and reporting the total costs of VistA. The department agreed with the recommendation.