



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-278519

November 7, 1997

159536

The Honorable Lane Evans
Ranking Minority Member
Committee on Veterans' Affairs
House of Representatives

Subject: Veterans Health Administration Facility Systems: Some Progress
Made In Ensuring Year 2000 Compliance, but Challenges Remain

Dear Mr. Evans:

This letter responds to your October 10, 1997, letter, which asked a question arising from our September 25, 1997, testimony on Year 2000 initiatives at the Department of Veterans Affairs (VA).¹ Your question and our response follow.

Your testimony indicates that the Veterans Health Administration (VHA) has failed to complete an inventory of the elevator, heating, air conditioning, lighting systems, and disaster recovery systems at its hospitals. How critical a problem is this, and is there still time to address this problem within the VHA?

Ensuring Year 2000 compliance for facility-related systems, such as those systems controlling elevator, heating, air conditioning, ventilation, and lighting as well as the disaster recovery or backup systems for these products, is a critical problem for both public and private organizations. Many facilities built or renovated within the last 20 years contain embedded computer systems that control, monitor, or assist in operations. Many of these systems could malfunction due to vulnerability to the Year 2000 problem. For example, on January 1, 2000:

- Elevators could automatically park themselves on the first floors, open their doors, and shut down.
- Heating and air conditioning units could stop functioning properly.

¹Veterans Affairs Computer Systems: Action Underway Yet Much Work Remains To Resolve Year 2000 Crisis (GAO/T-AIMD-97-174, Sep. 25, 1997).

- Card-entry security systems could cease to operate.
- Automatic lighting devices could fail to reactivate.

Addressing the facility-related systems problem is especially critical for VHA, because it oversees 173 medical centers, 376 outpatient clinics, 133 nursing homes, and 39 domiciliaries—a total of 721 facilities. VHA recognizes the criticality of ensuring Year 2000 compliance for such systems; its Year 2000 plan states that "facility-related system products are vitally important to VHA in providing quality health-care service."

VHA has made some progress. Its Year 2000 project office has begun to develop a centralized inventory for the facility-related systems at its health-care facilities. It established a project team, consisting of 20 technical experts in various facilities systems, to pull together a list of facility-related systems manufacturers to be used by VHA as the starting point for this inventory. The team has drafted and plans to send letters to these manufacturers asking if their products are Year 2000 compliant and what their plans are for achieving compliance for noncompliant systems or products. Also, VHA's medical centers are currently developing an inventory and assessing their facility systems for Year 2000 compliance. Finally, VHA is also working with the CIO Council's newly-formed Year 2000 Building Systems Subgroup on facility-related systems issues.

VHA, however, faces some major challenges.

- VHA has a very short time frame to address the Year 2000 computing problem; there are only 26 months remaining until January 1, 2000. According to VHA's Year 2000 project manager VHA may not complete its assessments of facility-related systems by January 31, 1998.
- The project manager indicated that manufacturers may not promptly respond to VHA. He further indicated that these manufacturers may not know if their products are Year 2000 compliant because some of the components that make up the product may have been built by others. As a result, manufacturers will have to contact the responsible suppliers to determine whether the components are Year 2000 compliant.
- According to its Year 2000 project manager, VHA is largely dependent upon the manufacturers to determine whether a Year 2000 problem exists and how any Year 2000 problems will be corrected. Once manufacturer

responses are received and verified, VHA must provide them to its Veterans Integrated Service Networks (VISN) and medical centers so that they can complete and implement their plans for Year 2000 compliance.

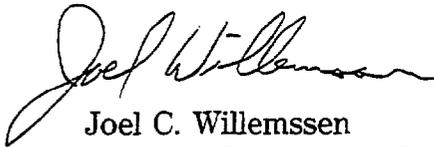
- Finally, VHA must implement the manufacturers' recommendations for achieving Year 2000 compliance of facility-related systems and validate that these systems are Year 2000 compliant. Also, VHA must develop contingency plans specifically designed for Year 2000 failures and errors. These plans must be coordinated with the disaster recovery plans in effect at VHA medical centers.

We discussed a draft of this report with VHA officials, and their comments have been incorporated where appropriate. VHA's Year 2000 project manager said that the report accurately reflected VHA's current situation for facility-related systems.

In answering this question, we reviewed and analyzed agency documents referring to Year 2000 projects—such as VHA's Year 2000 Plan and VHA's VISN Year 2000 Plans—and interviewed key VHA Year 2000 officials. We conducted our work from October 20 through November 5, 1997, in accordance with generally accepted government auditing standards.

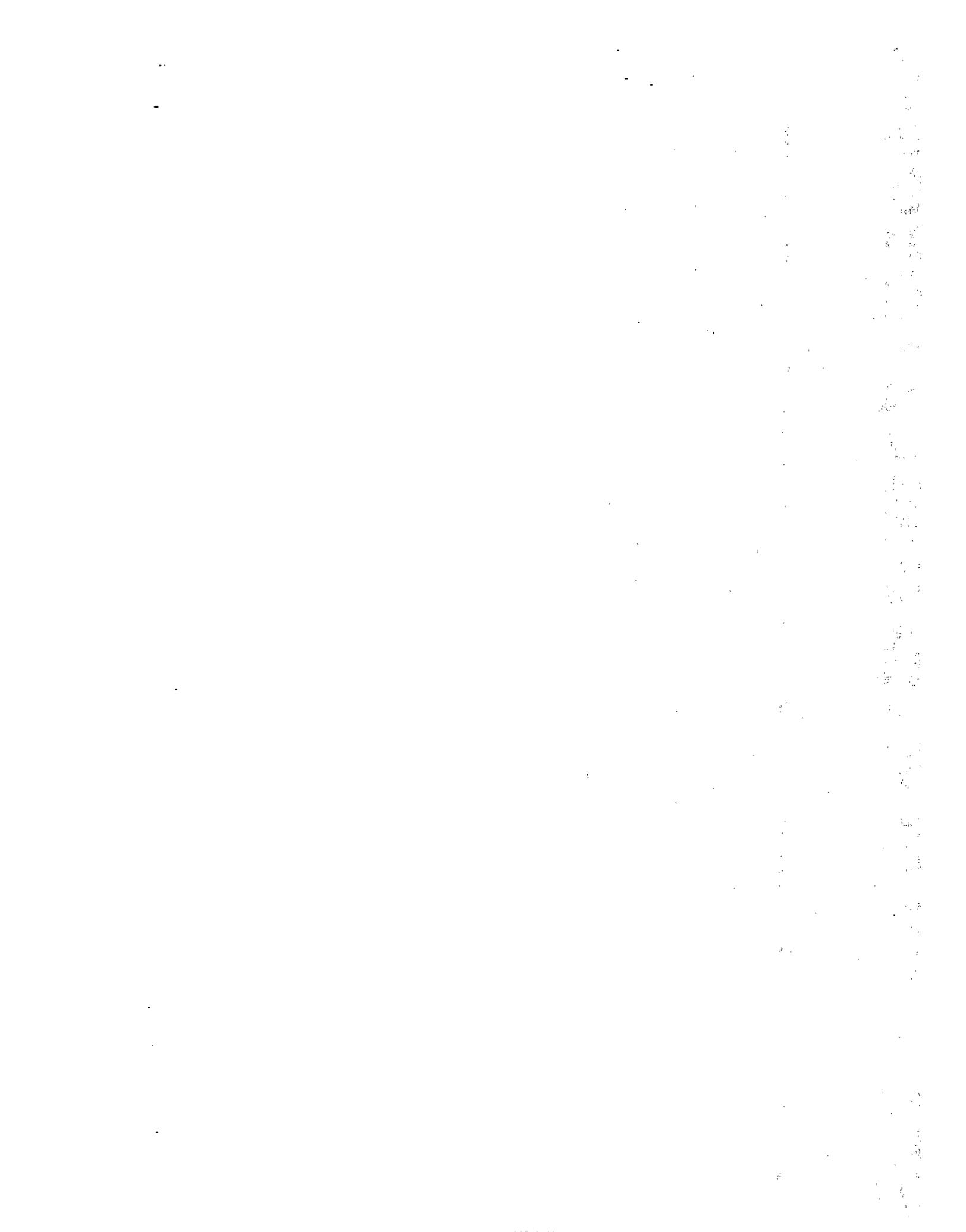
We are sending copies of this report to the Chairman of the House Committee on Veterans' Affairs, other interested committees, and the Acting Secretary of Veterans Affairs. Copies will also be made available to other parties upon request. If you have any questions concerning this report, please contact me at (202) 512-6253 or Helen Lew, Assistant Director, at (202) 512-9356. You may also e-mail us at *willemsen.j.aimd@gao.gov* or *lewh.aimd@gao.gov*.

Sincerely yours,



Joel C. Willemsen
Director, Information Resources Management

(511238)



Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

United States
General Accounting Office
Washington, D.C. 20548-0001

Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100

Official Business
Penalty for Private Use \$300

Address Correction Requested
