

GAO Highlights

Highlights of [GAO-18-267T](#), a testimony before the Subcommittee on Information Technology, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The use of IT is crucial to helping VA effectively serve the nation's veterans and, each year, the department spends billions of dollars on its information systems and assets. However, VA has faced challenges spanning a number of critical initiatives related to modernizing its major systems. To improve all major federal agencies' acquisitions and hold them accountable for reducing duplication and achieving cost savings, in December 2014 Congress enacted federal IT acquisition reform legislation (commonly referred to as the *Federal Information Technology Acquisition Reform Act*, or FITARA).

GAO was asked to summarize its previous and ongoing work regarding VA's history of efforts to modernize VistA, including past use of contractors, and the department's recent effort to acquire a commercial electronic health record system to replace VistA. GAO was also asked to provide an update on VA's progress in key FITARA-related areas, including (1) data center consolidation and optimization, (2) incremental system development practices, and (3) software license management. VA generally agreed with the information upon which this statement is based.

What GAO Recommends

GAO has made multiple recommendations to VA aimed at improving the department's IT management. VA has generally agreed with the recommendations and begun taking responsive actions.

View [GAO-18-267T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

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VETERANS AFFAIRS INFORMATION TECHNOLOGY

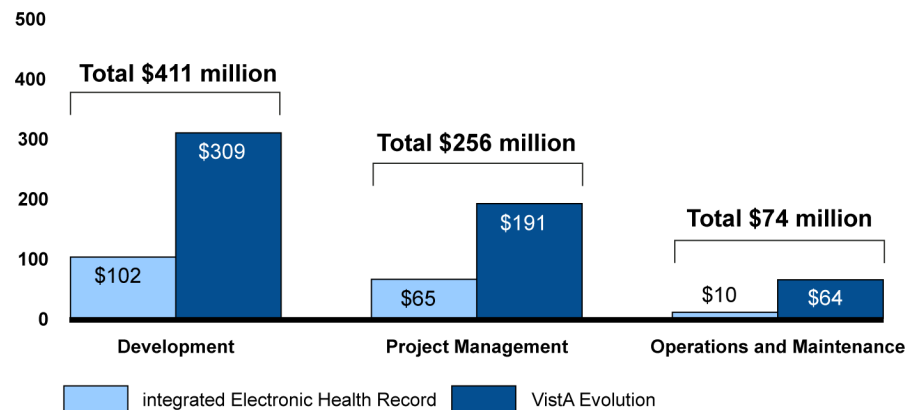
Historical Perspective on Health System Modernization Contracts and Update on Efforts to Address Key FITARA-Related Areas

What GAO Found

For nearly two decades, the Department of Veterans Affairs (VA) has undertaken multiple efforts to modernize its health information system—the Veterans Health Information Systems and Technology Architecture (known as VistA). Two of VA's most recent efforts included the Integrated Electronic Health Record (iEHR) program, a joint program with the Department of Defense (DOD) intended to replace separate systems used by VA and DOD with a single system; and the VistA Evolution program, which was to modernize VistA with additional capabilities and a better interface for all users. VA has relied extensively on assistance from contractors for these efforts. VA obligated over \$1.1 billion for contracts with 138 contractors during fiscal years 2011 through 2016 for iEHR and VistA Evolution. Contract data showed that the 15 key contractors that worked on both programs accounted for \$741 million of the funding obligated for system development, project management, and operations and maintenance to support the two programs (see figure). VA recently announced that it intends to change its VistA modernization approach and acquire the same electronic health record system that DOD is implementing.

Funding Obligated to Key VistA Modernization Contractors for 2011-2016

Dollars obligated (in millions)



Source: GAO analysis of Veterans Affairs contract data on iEHR and VistA Evolution. | GAO-18-267T

With respect to key FITARA-related areas, the department has reported progress on consolidating and optimizing its data centers, although this progress has fallen short of targets set by the Office of Management and Budget. VA has also reported \$23.61 million in data center-related cost savings, yet does not expect to realize further savings from additional closures. In addition, VA's Chief Information Officer (CIO) certified the use of adequate incremental development for 10 of the department's major IT investments; however, VA has not yet updated its policy and process for CIO certification as GAO recommended. Finally, VA has issued a software licensing policy and has generated an inventory of its software licenses to inform future investment decisions.