



Highlights of [GAO-08-805](#), a report to the House Committee on Veterans' Affairs

Why GAO Did This Study

The Department of Veterans Affairs (VA), through its Veterans Health Administration (VHA), provides health care for more than 5 million veterans each year. In 2001, VHA began an initiative, HealtheVet, to modernize its current medical information system. GAO's objectives were to determine the status of the modernization, VA's overall plan for completing it, and how VA is providing oversight to ensure the success of the initiative.

To conduct this review, GAO analyzed project documentation and interviewed officials responsible for the development and implementation of the new system.

What GAO Recommends

To better ensure the success of HealtheVet, GAO recommends that VA develop a project management plan that includes validated cost estimates and that it implement a complete governance structure, fill key leadership positions, and schedule and perform critical reviews. Commenting on a draft of this report, VA concurred with GAO's recommendations and described actions planned or being taken to address them.

To view the full product, including the scope and methodology, click on [GAO-08-805](#). For more information, contact Valerie Melvin at (202) 512-6304 or MelvinV@gao.gov.

VETERANS AFFAIRS

Health Information Systems Modernization Far from Complete; Improved Project Planning and Oversight Needed

What GAO Found

As of June 2008, the HealtheVet initiative has these eight major software development projects under way.

- One project is to further develop the Health Data Repository, a database of standardized health data. This database, which is currently operational, is not yet complete; additional types of health data remain to be standardized and added to the repository.
- Four application projects are currently in development.
- One application project is in the planning stage.
- Two projects are being pursued to enhance current systems, prepare them for transition to HealtheVet, and develop new applications.

From 2001 through fiscal year 2007, VA reported spending almost \$600 million for these eight projects. The time frame for completing the projects and the HealtheVet system as a whole was 2012, but the projected completion date has now been delayed until 2018.

The department has a high-level strategy for HealtheVet, in which the remainder of the initiative is to be completed incrementally in phases (referred to as "blocks"), but it does not have a comprehensive project management plan to guide the remaining work. This work is considerable: the department plans to replace the 104 applications in its current medical information system with 67 modernized applications (of which 5 are currently in development, as described), 3 databases, and 10 common services (general software functions, such as messaging and security, on which application software can call as needed). In view of this scope, the importance is increased of developing a comprehensive project management plan that includes, among other things, an integrated schedule that considers all dependencies and defines subtasks to ensure that deadlines are realistic. Another important component of such planning is determining the resources necessary to accomplish tasks throughout the life cycle of the initiative. In April 2008, VA provided an \$11 billion cost estimate for completion of HealtheVet; however, it has not yet independently validated this estimate. Having a validated cost estimate is essential to improve the accuracy of cost, schedule, and performance management. Without an integrated plan that includes independently validated cost estimates, VA increases the risk that HealtheVet could incur cost increases and continued schedule slippages and not achieve its intended outcomes.

Various levels and types of oversight are currently being provided for the HealtheVet initiative by business owners, developers, and departmental information technology governance boards. However, the business owners have not yet implemented a complete governance structure, several key leadership positions within the developers' organization are either vacant or filled with acting personnel, and the governance boards have not yet scheduled critical reviews of HealtheVet projects. Until all elements of governance and oversight are in place, the risk to the success of the HealtheVet initiative is increased.