STATEMENT OF
THE HONORABLE DENIS MCDONOUGH
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
SENATE COMMITTEE ON VETERANS’ AFFAIRS
HEARING ON
VA ELECTRONIC HEALTH RECORDS MODERNIZATION AND THE PATH AHEAD

JULY 14, 2021

Good afternoon Chairman Tester, Ranking Member Moran, and distinguished Members of the Committee. Thank you for the opportunity to testify today in support of the Department of Veterans Affairs (VA) initiative to modernize its electronic health record (EHR) through the acquisition and deployment of the Cerner Millennium EHR solution. This effort is one of the most complex and transformational endeavors in the Department’s history, and VA is committed, in partnership with the Department of Defense (DoD), to realizing the full promise of a modern, integrated record to cultivate the health and well-being of Veterans.

I want to thank Congress and this Committee for your continued support and shared commitment to our Nation’s Veterans. The authorities and resources you have provided VA - the Nation’s largest integrated health care system - will improve access, outcomes, and excellence for Veterans. Successful deployment of a modern EHR is essential in the delivery of lifetime, world-class health care and benefits for Veterans, as well as to set the standard for U.S. health care writ large, and we will get this right. With unified, seamless, trusted information flow between VA and DoD, we can further empower Veterans and their families, caregivers, and survivors to achieve whole health and wellness. In addition, we can enable care teams to deliver best-in-class access and outcomes while enhancing VA’s ability to innovate and advance Veteran care and services.

VA’s first implementation of Cerner Millennium occurred on October 24, 2020, at the Mann-Grandstaff VA Medical Center in Spokane Washington. When I began my tenure as Secretary in February 2021, proactive engagement with Veterans, Veterans Service Organizations (VSOs), VA employees, and Members of Congress revealed ongoing concerns with the project. Reports from the Government Accountability Office (GAO) and Office of the Inspector General (OIG) reflected a range of issues, many of which have also been reflected in the press, and it troubled me that multiple stakeholders were citing a perceived lack of transparency on this project as a longstanding issue. On this basis, I directed a top-to-bottom strategic review of the Electronic Health Record Modernization program. President Biden gave me the charge of “fighting like hell” for Veterans, and to that end, this review was necessary.

At my direction, and under the supervision of the Acting Deputy Secretary, Dr. Carolyn Clancy, a diverse group of senior subject matter experts and leaders from across the enterprise conducted the comprehensive strategic review. I also ordered the
review period not exceed 12 weeks, so it did not become an endless bureaucratic process without tangible outcomes we can immediately action. These leaders and subject matter experts swiftly gathered a broad range of internal and external stakeholder perspectives, analyzed findings from GAO and OIG investigations, and conducted deep dives into a plethora of areas, including, but not limited to: patient safety; productivity; governance and management; cost, schedule, and performance; patient portal; testing; data; change management and training.

Additionally, the group consulted with leading private sector health care systems with Cerner experience for their expertise, lessons learned and best practices. They conveyed to us that any EHR implementation is intricate, complicated, and one of the most difficult endeavors in health care. Leaders of those systems described this type of transformation as being fundamentally about people and processes, with technology serving as an enabler for improved efficiencies, operations, and outcomes. They universally described evolving their own management strategies and approach in order to achieve success. Many of them shifted from the use of a singular management entity to an integrated organizational team. DoD uses a similar model to successful effect.

While any EHR implementation is complex, a first implementation during a global pandemic is unprecedented. When I visited the Mann-Grandstaff VA Medical Center (VAMC) in April of this year, I was deeply proud to hear from the dedicated frontline leaders and employees who balanced this work with the demands of responding to COVID-19. Their commitment to Veterans reflects the values that we as an organization uphold.

To recognize the efforts of these employees, incorporate the wisdom and best practices known in this industry, and most importantly deliver the excellence Veterans expect from VA, we still have work to do. The strategic review illuminated a broad range of issues and affirmed many stakeholder concerns. My team continues to synthesize findings, and I commit to keeping you apprised and provide full transparency as we develop the way forward. To begin, we have identified the following issues:

- **Patient Safety:** While available evidence indicates that clear patient safety issues were actioned immediately, there was a lack of clarity across stakeholders on the broader definition, nature, and number of patient safety issues related to the new EHR implementation. In addition, further work is needed to resolve manual and automated elements of key workflows to ensure mitigation strategies fit business needs. The Veterans Health Administration (VHA) is leading an effort to ensure a common definition of what constitutes a “patient safety issue,” reflective of industry best practices; and an interdisciplinary team is working to ensure any open issues are resolved.

- **Productivity:** VA identified a significant decrease in productivity post-implementation, compounded by the effects of the Covid-19 Pandemic. VA teams are actively working to ensure Veteran access to care, improve processes, and make necessary technical fixes. In addition to impacts on operational
efficiency, revenue cycle operations were disrupted by the Cerner deployment. While missing functionality has now been deployed to support VA-specific billing needs, issues persist. Currently, many parts of the claims and payments process require manual entry.

- **Governance and Management:** Moving forward, VA is effectuating a unified, enterprise-wide governance that incorporates the perspectives of key clinical, technical, acquisition, and finance leaders, among others. Responsibility for management of the project, including oversight of appropriated funds, will remain with the Deputy Secretary. An interdisciplinary team of key leaders, to include the Under Secretary for Health, Chief Information Officer, Chief Acquisition Officer, and others will contribute joint functional expertise to the program.

- **Cost, Schedule, and Performance:**
  
  - Cost: The lifecycle cost estimates previously developed addressed the funding request from Congress and the three primary areas of the EHR: the contract with CERNER, the infrastructure readiness requirements above base IT funding, and the program management office. A complete lifecycle cost estimate for the entirety of the project was not created to account for other requirements outside these primary areas. We are now undertaking a lifecycle cost estimate to clearly identify total costs associated with the project, regardless of whether sources of funding currently exist within current programs. This includes all infrastructure costs related to the project, as well as those attributed to VHA and VA’s Office of Information and Technology based on the recent OIG findings. Additionally, we are implementing the aforementioned new cost controls and governance processes.

  - Schedule: The size, scope, and complexity of the EHR project requires an integrated master schedule which aligns the multiple functional areas of the project with other major enterprise initiatives. Further, the initial deployment schedule was based on the premise of deployment regionally for both DoD and VA; at this time, deployments are no longer synchronized. Not only are we developing a new project integrated master schedule using best practices, but we are also establishing our first ever VA Integrated Program Strategy linking our other major acquisition and digital transformation efforts with EHR modernization to more efficiently deploy our resources while mitigating risk. On July 1, 2021, VA sent a letter to Congress informing Members of the appropriations committees of a change in the future deployment schedule. Going forward, changes in schedule will be informed by a new enterprise-wide Current State Readiness Assessment.

  - Performance: Key Performance Indicators for the project were not effectively created, maintained, or managed. As part of the strategic review, VA clarified and re-established contractual and functional metrics.
VA is also establishing a Cooperative Research and Development Agreement with Cerner to leverage best practices, foster innovation, and create share value while minimizing costs.

- **Patient Portal**: Upon implementation last October, the patient portal experience was fragmented for Veterans in Spokane. VA’s Veterans Experience Office has just completed a study of Veteran experience and preferences to inform decisions on the future of the portal and will also take into consideration legal and contractual obligations.

- **Testing**: Clinical and interdisciplinary workflows were not tested prior to “go-live” in a manner that effectively reflected a real-world environment. VA is working to establish an enterprise testing environment where interdisciplinary teams can rehearse and model the effects of workflow design and changes before future go-lives with Cerner Millennium.

- **Data**: Technology infrastructure was established to migrate and syndicate data between VistA and Millennium. However, gaps remain in our ability to govern and manage data between the two EHRs and with DOD to ensure seamless, Veteran and employee-centric information sharing, and provision of managed, trusted data. Under VA’s Data Governance Council, data managers, engineers, scientists, and informaticists across the enterprise are working to strengthen enterprise data management practices and tooling. VA is working to align with DOD more closely and will continue to work to ensure the mission of seamless transition of Servicemembers to Veterans status is accomplished.

- **Change Management & Training**: Change management and training were not effective in ensuring interdisciplinary employees both understood and had effective support in completing the key functions of their roles within the new system. To this end, VA teams are redesigning role-based change management and training strategy. This new effort is critical to ensuring end user adoption of what can be perceived as “disruptive” technology.

On the basis of these initial findings, VA is reimagining our approach to Electronic Health Record Modernization. We are taking swift and decisive action to incorporate the management rigor and enterprise jointness required for this program to deliver on its intended purpose: seamless excellence in VA care for Veterans.

You will see us pursue a surge of activity in the coming weeks and months, intently focused on Veteran experience, patient safety and employee engagement. Specifically, VA will pursue technical-only (“sandbox”) deployment of Cerner technology at previously planned sites in Veterans Integrated Service Networks (VISNs) 10 and 20 – ensuring technical readiness without affecting Veterans or frontline clinical employees. In parallel, we will accelerate technical infrastructure upgrades required to deploy the EHR system as well as establish an integrated test and training environment for a dedicated enterprise end user team to continue to evaluate the functionality of the
system. This will enable us to evolve our processes, training, and change management – and test our approach to build evidence-based confidence in the success of our next deployment before we “go-live” again.

VA will also conduct enterprise-wide Current State Reviews, both technically and qualitatively, of all our facilities concurrently which were previously planned to be completed site-by-site over the life of the project - to assist in establishing an evidence-based view of enterprise site readiness and in developing an optimized deployment schedule for facilities beyond VISN 10 and VISN 20. This new approach will result in a shift from sequential site engagements over the next decade, to integrated enterprise readiness and planning.

Prior to deploying to additional sites, VA will also improve our organizational structure and governance to become more responsive and effective as well as invest in training and change management capabilities to better prepare the workforce for the Cerner solution to be implemented at their individual locations. VA is repurposing Fiscal Year (FY) 2021 funds toward these goals.

Closing

I again extend my gratitude to Congress for your continued support and shared commitment to serving Veterans with excellence. Because of your support, VA, in partnership with DoD and Cerner, will realize the full promise of a modern integrated health record to cultivate the health and well-being of the Veterans in our care.

Chairman Tester, Ranking Member Moran, and Members of the Committee, thank you for the opportunity to testify today to discuss our deployment of the EHR solution. I am happy to respond to any questions that you may have.