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United States Senate

COMMITTEE ON VETERANS' AFFAIRS
WASHINGTON, DC 20510

May 06, 2024

The Honorable Tanya Bradsher
Deputy Secretary of Veterans Affairs
810 Vermont Ave., NW
Washington, DC 20420

Dear Deputy Secretary Bradsher,

We are writing to urge the Department of Veterans Affairs (VA) to act to protect taxpayers and veterans through stronger accountability provisions in the ongoing contract negotiations with Oracle Health related to the Electronic Health Record Modernization (EHRM) program.

Last year, we pressed the Department to overhaul its EHRM contract with Oracle Health to provide VA more tools to hold the contractor accountable when the company did not deliver at expected levels. The previous contract, signed in May 2018, had very few mechanisms to hold Oracle Health accountable for its numerous performance failures including system crashes, poorly tested software solutions, and insufficient training programs. As a result, over a five-year period, Oracle Health only had to refund or “credit” the government a few hundred thousand dollars for its poor service delivery; a drop in the bucket for this contract with a ceiling of approximately \$10 billion. This is just one of many examples of a contract – and VA contract oversight – that lacked sufficient accountability.

We were heartened by the Department’s May 2023 announcement of a revised contract with Oracle Health. While the new agreement was certainly not able to recover true cost in lost time, money, and harm to patients cared for using the new system, it did take meaningful steps forward. The new terms included stronger accountability provisions in several areas including setting higher standards for system reliability and contractor responsiveness, and larger penalties when Oracle Health does not meet the expected standards.

Specifically, among several improved provisions are those that focus on reducing system crashes and slowness as well as requirements for Oracle Health to more quickly and thoroughly resolve help tickets submitted by VA users. These elements and the corresponding penalties resulted in Oracle Health crediting the government more money when it failed to perform over the last 12 months when compared to the previous contract. In addition, critically, the contract was changed from a five-year term to five one-year terms giving VA the opportunity to review the contractor’s progress every 12 months and renegotiate terms as appropriate to ensure they are delivering the required and expected services.

While there have been some improvements to Oracle Health's performance in the last 12 months, significant challenges remain. For example, in February of this year Oracle Health's delivery of the so-called "Block 10" software release was incomplete due to the need to pull back and fix several pharmacy-focused upgrades that had code errors. As you know, pharmacy software upgrades are among the most important changes requested by VA frontline medical staff. After its purchase of Cerner, Oracle Health committed to putting significant additional IT engineers and other relevant personnel and financial resources on this project to get it back on track. After years of veterans not receiving the care they deserve and VA staff not getting the system they need, the Department must take all steps possible to ensure VA is getting the services it purchased at a fair price and that Oracle Health is living up to its commitments.

We encourage you to use the opportunity the new contract structure provides to re-review terms and add additional accountability and oversight provisions to protect veterans and taxpayers. When your May 2024 contract negotiations have concluded, we request that you provide us with a summary of the new enforcement provisions and terms as well as a summary of how the Department has used the May 2023 agreement to achieve better outcomes.

Thank you for your attention to this request and we look forward to your response.

Sincerely,



Jon Tester
United States Senator



Patty Murray
United States Senator



Sherrod Brown
United States Senator