ORACLE

VA EHRM

Modernization, Delivery & Cost Transparency

Oracle Health Government Services

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EHRM – Then and Now, Why Modernize

To better serve Veterans and VA providers

Then – 2018 and before

- Retiring military members carried their medical records in paper boxes or on CDs.
- Across 170 VA medical centers, VA used 130 different versions of VistA, its decades-old homegrown electronic health record system.
- Doctors had to search across multiple systems to piece together a Veteran's medical history.
- Sharing information between VA and community doctors was complicated.
- After multiple attempted modernization efforts, the aging VistA platform remained difficult to maintain and improve.
- VA's 130 different VistA systems led to inconsistent care and Veteran experiences.

Now – A Completely New Program – Federal EHR at 17 Live Sites

- A shared electronic health record follows service members from DoW to VA.
- One modern EHR platform connects all VA facilities nationwide.
- Doctors can see a more complete picture of a Veteran's health in one place.
- Easier sharing of medical information between VA and community providers using Joint Health Information Exchange & Seamless Exchange.
- A modern, secure platform that supports innovation and faster improvements.
- One common system supports more consistent care and standardized workflows.

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The Federal EHR is Delivering Measurable Value Today

The Federal EHR is turning nationwide interoperability into care-team action

Interoperability at national scale

~350M+ documents exchanged monthly

Joint HIE connects VA to 104,000+ non-government provider sites and 90% of U.S. hospitals—giving VA clinicians access to relevant community-care information at national scale.

One exchange network for federal and community care

Integrated data inside the clinical workflow

2M+ non-VA documents accessed monthly in Federal EHR

Joint HIE brings the data; Seamless Exchange makes it easier to view and reconcile external and Federal data in the chart, reducing manual record retrieval and unnecessary repeat testing.

Exchange becomes usable clinical context

Route care to available VA capacity

Michigan–Dayton referral pilot

The pilot centralized specialty referrals—for example, routing eligible veterans from Saginaw to Ann Arbor. Internal referrals were **25% less likely to be canceled than under current VistA scheduling system**, helping more veterans receive timely access to care.

Demonstrating enterprise referral management today

Common platform, common controls

~130 locally varied VistA instances

A fragmented legacy environment makes consistent security, configuration, monitoring, and upgrades harder. Federal EHR establishes one common platform; OCI will add a modern cloud foundation.

More consistent controls and operational resilience

CURRENT EVIDENCE OF INTEROPERABILITY, REVENUE CYCLE, AND WORKFLOW VALUE

105.3%	Collections to target, FYTD 2026, at live Oracle sites	**66.5 min**	One provider reported reduction in Indianapolis emergency-department stay	**10,110**	Electronic community Rx, eliminating paper Rx and the need for veterans to transport them, Apr.–Jun. 2026
90+ sec	Early staff estimate saved per inpatient-pharmacy inventory check	**45 min/day**	Social workers reported saving through batch signing of group-therapy notes	**5–10 min**	End-user estimate saved per fall-risk assessment using a single longitudinal flowsheet

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Why the Program Did Not Scale and Required Re-Scoping

Early deployment showed that the original Cerner-era model and prior VA governance approach were not ready to scale across the nation's largest integrated health system.

01

Original model was not set up for success nor to scale

Early deployments encountered challenges transitioning from facility-specific EHR configurations and workflows to a standardized, enterprise-wide system. Staff readiness and adoption of national standards and workflows varied across VA medical centers.

02

Early Cerner Challenges Required Changes

Cerner faced challenges with system stability, user training, and pharmacy functionality. In response, Oracle accepted performance-based service-level agreements, independently assessed and revamped its training approach at our expense, and delivered pharmacy enhancements.

03

Prior governance decisions created rework

Past VA leadership approved highly localized designs and directed investment in a dental solution and patient portal, then later selected different paths. VA also deferred the standardization of workflows, roles, and integrations until after early deployments, necessitating subsequent rework to harmonize operations across sites.

04

The reset created a new operating model

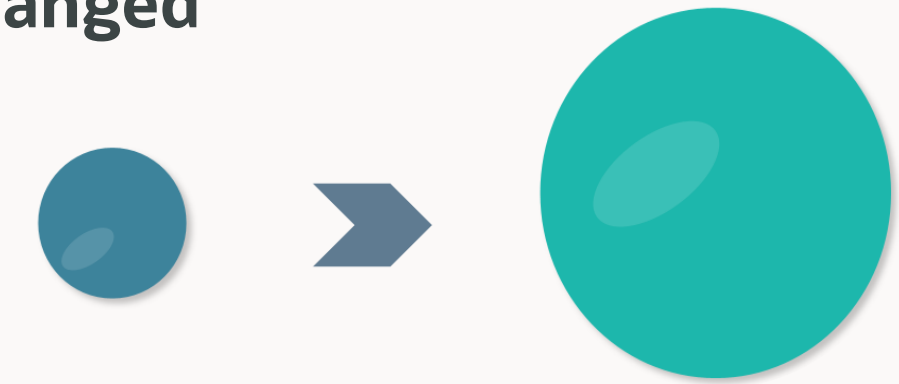
Oracle and VA reset the program around national standards, common workflows, repeatable testing and training, clarified requirements, and a more disciplined, and repeatable deployment model.

COVID, the 2021 strategic review, and the 2023–24 reset interrupted the original cadence.
The re-scoped program reflects the work required to complete a safe, repeatable nationwide deployment through May 2031.

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EHRM 2.0: How the program has changed

VA requirements and changes to the scope have created a wholly different program from what was originally contracted in 2018.



Circle sizes illustrate scope expansion

Area of change	EHRM 1.0 - *2018 Scope*	EHRM 2.0 - *2026 Scope*
Deployment requirements	• **57 interfaces** • **8 million veterans records** • VA to perform counterpart-system interface development	• **164 interfaces** (187% increase) • **26.1 million veteran records** (226% increase) • More training, testing and deployment readiness requirements • Additional products, integrations, and Columbus standalone scheduling
Infrastructure & hosting capacity	• **85,000 concurrent end users** in the system	• **195,000 concurrent end users** in the system (129% increase) • Additional hardware, training environments, Oracle Health products, and third-party capabilities
Custom development & standardization	• Commercial Cerner EHR • VA to standardize and create common workflows, order sets, roles, etc.	• Customization of pharmacy and revenue cycle products • Limited early standardization drove continued workflow and configuration rework
Timeline & ongoing sustainment support	• Completion in 2028 • Help Desk / Provisioning / On-Site Support transition to VA after year 5 • Sustainment training transition to VA after Year 3	• Completion in 2031 • Oracle sustainment support continues in Contract Year 9 and beyond planned transitions

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Addressing Oracle's previous commitment

Oracle committed to deliver the program within the existing budget envelope for the scope then contemplated. VA later expanded scope, requirements, and duration.

> *"First, as for Oracle Cerner's part, we intend to deliver the EHR system across the entire VA for the amounts contemplated in the current contract **under the current scope**. That includes our intention to move to our Oracle Cloud Infrastructure data center, and that includes fixes or upgrades for things like the unknown queue or referrals. **Of course, if there are big new pieces of functionality not included in the scope, that's a different discussion**. However, if there are significant cost overruns – as apparently the IDA believes there will be – we are prepared **to bear those costs and remain within the existing budget envelope**."*
>
> **Mike Sicilia, Oracle, July 2022, before the House Veterans' Affairs Committee**

What has changed since July 2022

Scope	VA expanded scope: interfaces, migration, training, testing, hosting capacity, product, customizations, and third-party integration requirements.
Governance	VA revisited previously approved workflows, roles, and product decisions (e.g., dental and patient portal), creating rework and replacement integration.
Lifecycle	Due to COVID, the Strategic-review, the deployment pause and subsequent "Reset", the completion timeline moved from 2028 to 2031, adding three years of recurring services and extending support VA originally planned to assume.

Oracle's commitment remains: absorb performance and workflow remediation within contracted scope. The revised ceiling funds VA-directed work beyond the scope contemplated in 2022.

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EHRM Contract: Costs Then and Now

Cost driver	Approx. increase	Original Contract (EHRM 1.0)	Current Expanded Scope Contract (EHRM 2.0)
Deployment | original contract: $4.9B | increase under expanded scope requirements: approximately +$6.0B			
Interface localizations	**$1.0B**	57 interfaces	164 interfaces, including vendor changes to meet local facility needs
Training and change management	**$1.6B**	Standard role-based end-user and super-user training with deployment change management	Revised classroom and super-user ratios, expanded role-specific curricula, and enhanced change management and adoption support
COVID-related delays and restarts	**$0.6B**	Original deployment cadence	Paused, restarted, and reworked deployment activity
Data and image migration	**$0.5B**	Migration of defined legacy clinical data domains, initially 15 VistA domains, plus imaging	Expanded clinical data migration, including clinical notes, radiology/cardiology reports, additional data domains
Added solutions and standalone scheduling	**$0.5B**	Core EHR deployment	Implementation and integration of added solutions and Columbus standalone scheduling
VA-directed optional deployment tasks	**$0.7B**	Baseline site work	Additional communications, interoperability, workflow and testing support, and CPAC support
Standardized deployment model changes	**$1.0B**	Site-specific deployment approach	Resized, repeatable enterprise model for future deployments
Standardization and Enterprise Development | original contract: $0.5B | increase under expanded scope requirements: approximately +$3.3B			
National workflow development and enhancements services retained longer	**$0.9B**	Planned handoff on earlier schedule	Retained Oracle for continued enterprise workflow design support past 1-year period
Increased interface volume	**$0.5B**	57 enterprise interfaces	164 interfaces requiring enterprise coordination
External partner interface work	**$0.6B**	VA OIT responsible for 3rd party system interface development	VA OIT shifted 3rd party system interface development to EHRM-IO
Enterprise testing	**$0.4B**	Initial enterprise testing of core EHR functionality and integrations	Continued enterprise testing for additional products, expanded functionality, and automated testing requirements
Extended 3-year lifecycle for services – standards, safety, and training support	**$1.0B**	10-year program model	Three additional years of continuing standards, planning, reporting, patient safety support, and training content development

Rounded values. Line items are shown for transparency and may not sum precisely to category subtotals due to rounding.

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EHRM Contract: Costs Then and Now, cont'd

Cost driver	Approx. increase	Original model	Current requirement
Hosting | original contract: $1.3B | increase under expanded scope requirements: approximately +$2.1B			
Higher user capacity	**$0.5B**	85,000 concurrent users	195,000 concurrent users
Hardware and hosting expansion	**$1.2B**	Core hosting environment	Additional hardware for image and document migration, Sandbox domain, and hosting for expanded products and product scope of use
Extended 3-year lifecycle for hosting services	**$0.3B**	10-year program model	Three additional years of recurring hosting
Product | original contract: $2.6B | increase under expanded scope requirements: approximately +$1.2B			
Added products	**$0.7B**	Core Federal EHR product set	Additional Oracle Health and third-party products (e.g., 3M 360e, Hyland, Nuance, Audbase, etc.)
Technology modernization	**$0.6B**	Original product roadmap	Expanded modernization capacity over the extended program lifecycle (e.g., Clinical AI Agent, Chart Review Agent)
Sustainment | original contract: $0.5B | increase under expanded scope requirements: approximately +$4.0B			
Extended 3-year lifecycle for sustainment services	**$1.5B**	10-year program model	Three additional years of recurring support
Sustainment training and help desk services retained beyond planned transitions	**$1.0B**	Planned handoff on earlier schedule	Retained Oracle for sustainment training after assumed transition in contract year 3 and help desk and provisioning after contract year 6
Transition services retained beyond planned transition	**$1.0B**	Revenue cycle transition services planned for 1-year period with minimal staff augmentation	Services continue beyond 1-year period and with staff augmentation at 3x originally planned levels
Expanded scope	**$0.4B**	Baseline support scope	Additional ongoing work, including drug-file maintenance, charge process support, and VA-side interface sustainment support.
Custom development and optimization | original contract: $0.1B | increase under expanded scope requirements: approximately +$0.5B			
VA-specific development and optimization	**$0.5B**	~$0.1B planning allowance for innovation	Customization of Pharmacy, revenue cycle, identity and access management, interoperability, and other solutions. Includes fees for facility space to support training.

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What VA Has Purchased to-date

VA has obligated $9.2B for the Federal EHR foundation, deployment and ongoing operations.

$9.2B **OBLIGATED**

$0.8B **REMAINING CAPACITY FROM ORIGINAL CEILING**



92% of original ceiling obligated

8% not yet obligated

$3.2B **Deployment**

50 VAMCs and 90+ clinics; readiness, migration, training, go-live; schedule changes and restarts

$1.8B **Standardization & Enterprise Development**

Common standards, planning, governance and coordination; longer delivery timeline

$1.6B **Hosting**

Secure infrastructure, network, cyber, backup and recovery; expanded capacity and products

$1.0B **Product & licenses**

Federal EHR subscriptions, use rights, added Oracle Health and third-party applications

$0.7B **Sustainment**

Live-site service desk, provisioning, releases, training, pharmacy and revenue-cycle support

$0.5B **Custom development & optimization**

VA-specific pharmacy, revenue cycle, interfaces, clinical and business optimization

FIXED OPERATING COSTS CONTINUED DURING COVID AND THREE OTHER PROGRAM PAUSES

Hosting, software licenses, and sustainment continued at live sites even as deployments were delayed, and with pricing concessions from Oracle.

Figures are rounded category values from the reviewed brief; category totals do not reconcile exactly to $9.2B. $0.8B is remaining IDIQ ordering capacity, not unspent cash.

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Oracle has absorbed costs and increased accountability for performance

No-cost commitments, cost reductions, and contractual accountability reduce VA's cost and performance risk.

No-cost commitments

- **Pharmacy Reimagine**
  Complete outpatient pharmacy-application rewrite at no cost to VA.
- **Product and Usability Improvements**
  Examples: 24 outpatient pharmacy projects / improvements, seven Referral Management product enhancements, and Message Center optimization.
- **Interoperability and Cloud Migration**
  Oracle Health Information Network (OHIN) at no cost, potentially avoiding a separate third-party solution; Oracle fully funds VA's OCI migration.

Original Oracle Baseline Prices Remain Unchanged

- **Licensing & Software Maintenance**
  EHR and Data Platforms enterprise-license and maintenance prices remain unchanged for the original scope of use.
- **Hosting**
  Original enterprise-hosting and managed-services price remains unchanged for the original hosting scope.
- **Labor**
  Original labor-rate schedule and 2% annual escalation structure applied through the original 10-year contract period.

Discounts during deployment pause

- **Software Maintenance Price Reductions**
  Software maintenance price reductions during CY7 and CY8 negotiations.
- **Waived License Reactivation Fees**
  Waived license reactivation fees and charges during deployment pause in Contract Year 7 and Contract Year 8.

Oracle-funded performance accountability

- **Additional Software Upgrade Cycles**
  VA funds one code upgrade cycle per year; Oracle delivers a second code upgrade at no additional cost.
- **Contractual Performance Commitments**
  Oracle accepted 22 contractual performance commitments, compared with 8 previously; and have paid credits when commitments were not met.
- **Product and Issue Resolution**
  4,799 product enhancements and platform (EHR, data platform, MPages) updates delivered across Blocks 10–14; 67 of 77 VA Problems closed or mitigated before June 2025.

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The new ceiling enables completion and operation through May 2031

The ceiling gives VA ordering capacity to complete the approved transformation and operate the enterprise solution while deployment continues.

Complete the currently approved deployment plan

Configure, test, train, migrate data, and activate the Federal EHR at the remaining approved VA medical centers and associated clinics.

Operate live Federal EHR sites

Fund hosting, product, cybersecurity, service desk, clinical support, training, upgrades, and site sustainment for a mission-critical system.

Modernize the operating platform

Keep the EHR current with new capabilities, interoperability, and technology improvements.

Maintain national clinical standards

Fund common workflows, clinical content, testing, standardization, and prime contract management for safe, repeatable deployment.

Why the ceiling is sufficient

The revised model incorporates actual production experience, clearer requirements, standard deployment scope, and firm-fixed-price task orders that keep VA in control of future purchases.

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2026 deployments show a repeatable operating model

Michigan, Southern Ohio, and Indiana provide production evidence that the EHRM 2.0 program can deploy, recover, and operate at scale.

Michigan

Ambulatory appointment volumes have returned to normal productivity levels. Prescription fills and refills exceeded 90% of baseline by month four.

Southern Ohio

Ambulatory appointment volumes have returned to normal productivity levels. Prescription fills and refills were at 90% of baseline in month two.

Indiana

Six weeks after go-live, productivity trends align with Michigan and Southern Ohio at the same point in their timeline.

Medication safety

New ambulatory medication scanning workflow introduced with Federal EHR: 88.1% compliance in Michigan, 91.3% in S. Ohio, and 88.8% in Indiana.

Pharmacy

Outpatient prescription turnaround times met expectations across the three markets.

System Performance

Met system availability / performance requirements for 18 consecutive months.

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