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July 10, 2023

The Honorable Denis R. McDonough
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary McDonough:

In April, you announced that the Department of Veterans Affairs (VA) is halting all future deployments of the Oracle Cerner Electronic Health Record (EHR) system while attempting to fix its deficiencies. I support your decision, and I am encouraged that VA will not be imposing this system on any more facilities unless and until it becomes fully functional. I also appreciate your forthrightness in declining to certify and accept the final 25 percent of the Veterans Electronic Health Record appropriation for fiscal year 2023, nearly \$440 million. Spending these taxpayer dollars during the pause would have been indefensible.

Now, VA has a responsibility to adjust its overall spend plan for Electronic Health Record Modernization (EHRM) to reflect the indefinite pause on deployments and prioritization of improvement efforts. Based on analysis of the information VA has provided to the Committee to date, staff calculates that EHRM activities that cannot be performed at this time cost at least \$1,038,997,892.

VA provided the Committee with the most complete information about future implementation plans and associated costs in February 2022, which was used to construct budget requests for subsequent fiscal years. This information included go-lives for 55 medical centers organized into 17 waves through the end of 2024, as well as site-by-site estimates of current state review, infrastructure upgrade, and deployment costs. Staff removed current state review and infrastructure upgrade costs for sites where these activities are known to have been completed. Staff also adjusted the figures for the remaining sites on the assumption that half of the estimated current state review costs have already been incurred and one-third of the estimated infrastructure upgrade costs have already been incurred across all sites. Staff did not remove or adjust any deployment costs, as none of these 55 sites have attempted go-lives and these costs should not yet have been incurred. After subtractions and adjustments, these costs total \$1,038,997,892.

In light of the indefinite pause on deployments, there is no justification for commencing current state reviews or beginning infrastructure work at facilities whose go-lives were previously several years in the future and are now distant possibilities. There is also no way for VA to commence deployment, which represents the vast majority of VA's February 2022 cost estimate. While the wisdom or usefulness of many other EHRM program activities is up for debate, there is simply no way for VA to expend at least \$1,038,997,892 for activities that cannot be performed in the foreseeable future, including the remainder of fiscal year 2023, fiscal year 2024, and potentially fiscal year 2025.

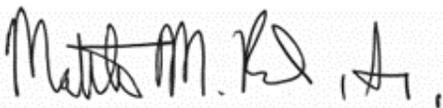
Finally, we agree on the importance of making the five medical centers and associated clinics that have already gone live on the Oracle Cerner EHR whole, including adjusting the system to accommodate their needs and supporting the facilities' budgets to fund the increased staffing necessary to mitigate the EHR's impacts and make up for reduced collections. You have expressed your commitment to do this, and now is the time to present a plan to identify a funding source and cover these costs.

Far too many taxpayer dollars have been spent with dismal results for the EHRM program to continue operating the way it has for the past five years. In order to preserve any possibility of recovery, it is critical that VA conserve its remaining resources. That must start now. To better understand VA's intended financial path forward, I ask that you answer the following questions no later than July 28, 2023:

- 1) Does VA stand by its February 2022 site-by-site cost estimates? If not, please provide replacement estimates in the same level of detail.
- 2) Does VA take issue with Committee staff's calculations based on VA's February 2022 estimates? If so, please provide alternate calculations.
- 3) Has VA estimated the costs to make all facilities currently live on the Oracle Cerner EHR whole? If so, please provide those cost estimates.
- 4) Which account(s) does VA intend to use to pay such costs to make the facilities whole?
- 5) In addition to EHRM activities that *cannot* be performed at this time, which activities has VA determined *should not* presently be performed and what is the estimated cost of these activities?
- 6) When will VA be providing revised spend plans for fiscal years 2023, 2024, and 2025 reflecting the indefinite pause on deployments and other recent strategic decisions?

Thank you for your attention to this important matter.

Sincerely,



MATTHEW ROSENDALE, SR.

Chairman

Subcommittee on Technology Modernization

Cc: The Honorable Sheila Cherfilus-McCormick, Ranking Member