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A MORE EFFICIENT AND EFFECTIVE GOVERNMENT: EXAMINING FEDERAL IT INITIATIVES AND THE IT WORKFORCE

HEARING

BEFORE THE

SUBCOMMITTEE ON THE EFFICIENCY AND EFFECTIVENESS OF FEDERAL PROGRAMS AND THE FEDERAL WORKFORCE

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

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CONTENTS

	Page
Opening statement:	
Senator Tester	1
Senator Portman	12

WITNESSES

TUESDAY, JUNE 10, 2014

Luke J. McCormack, Chief Information Officer, U.S. Department of Homeland Security	4
Stephen W. Warren, Executive in Charge of Information and Technology, U.S. Department of Veterans Affairs	6
Donna K. Seymour, Chief Information Officer, U.S. Office of Personnel Management	7
David A. Powner, Director, Information Technology Management Issues, U.S. Government Accountability Office	9
Christopher Miller, Program Executive Officer, DOD Healthcare Management System, U.S. Department of Defense	10

ALPHABETICAL LIST OF WITNESSES

McCormack, Luke J.:	
Testimony	4
Prepared statement	37
Miller, Christopher:	
Testimony	10
Prepared statement	77
Powner, David A.:	
Testimony	9
Prepared statement	55
Seymour, Donna K.:	
Testimony	7
Prepared statement	50
Warren, Stephen W.:	
Testimony	6
Prepared statement	44

APPENDIX

Responses to post-hearing questions for the Record:	
Mr. McCormack	83
Mr. Warren	90
Ms. Seymour	104
Mr. Miller	111

A MORE EFFICIENT AND EFFECTIVE GOVERNMENT: EXAMINING FEDERAL IT INITIATIVES AND THE IT WORKFORCE

TUESDAY, JUNE 10, 2014

U.S. SENATE,
SUBCOMMITTEE ON THE EFFICIENCY AND EFFECTIVENESS OF
FEDERAL PROGRAMS AND THE FEDERAL WORKFORCE,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 3:26 p.m., in room 342, Dirksen Senate Office Building, Hon. Jon Tester, Chairman of the Subcommittee, presiding.

Present: Senators Tester, Baldwin and Portman.

OPENING STATEMENT OF SENATOR TESTER

Senator TESTER. Good afternoon. I want to call to order this hearing of the Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce.

Today's hearing is titled "A More Efficient and Effective Government: Examining Federal Information Technology Initiatives and the IT Workforce."

We have assembled a terrific panel of witnesses, and I want to thank you all for joining us here today and sharing your perspectives on these important issues.

The Federal Government's dependence on Information Technology (IT) infrastructure has been critical to its daily operation for over three decades and will only increase over time. While the Federal Government takes steps to modernize its computer system and the manner in which it collects, stores and disseminates data, it has certainly been a bumpy road. And, as we proceed further down that road, it is critical that we move forward in a responsible, cost-effective manner.

A number of recent events have given credence to those who suggest that the Federal IT system is broken, and given that the Federal IT portfolio is more than $80 billion, we have plenty of reasons to be concerned and plenty of reasons to pay close attention to what is going on.

We are talking about the rollout of healthcare.gov and countless other IT projects that have been lucrative for contractors but not worth the taxpayers' expense.

We are talking about the deployment of a computer scheduling system incapable of adequately monitoring and coordinating the

process through which veterans are connected to timely care that they have earned and, seemingly, incapable of preventing the employees from gaming the system and producing artificially short wait times.

And, in the wake of unprecedented data collection efforts, we are talking about inadequate safeguard and privacy protections for the responsible storage and usage of America's personal information.

And we are also talking about an area of government in which we are finding it increasingly difficult to recruit and hire the best candidates in the field of information technology.

But the point of today is not to simply highlight the Federal IT shortcomings. It is to highlight the lessons learned, how they have translated into fundamental reforms and how they help provide the blueprint to move forward.

At a May hearing held by this Committee, we learned about how the Office of Management and Budget (OMB's) PortfolioStat Initiative, which requires agencies to conduct annual review of their IT investments, has helped agencies identify duplicative spending and, with improved implementation, could result in billions in savings.

We are also talking about positive efforts by the Veterans Affairs (VA), who was the only agency in a recent Government Accountability Office (GAO) report found to have defined functionality and required delivery of their projects' functionality within 6 months.

Today's hearing seeks to examine the process through which major Federal IT projects are developed and coordinated governmentwide, to what extent is there agency collaboration and cost-sharing, and to what extent are there IT investments monitored or coordinated governmentwide.

For instance, if the VA is looking to implement additional privacy protections into the management of its data base of veterans' personal information, is there a process in place for the VA to coordinate or buildupon efforts by agencies like Social Security Administration (SSA) or Office of Personnel Management (OPM), who have addressed similar needs.

And what are the fundamental obstacles that prevent agencies, like the Department of Defense (DOD) and the VA, from jointly developing and deploying an integrated electronic health record (EHR) system?

Today, we hope to answer these questions and others, and to identify ways to improve the process, reduce waste and increase opportunities for collaboration and cost-sharing.

The hearing also seeks to examine the state of the Federal IT workforce and the qualifications and capacity of our Federal IT workforce.

To what extent are we contracting out for major IT initiatives, and is that driven by our decreasing capacity for carrying them out internally?

Today, we will discuss these issues and many more, and I look forward to the discussion.

I want to, once again, thank everybody for being here today. I appreciate your presence here today.

Ranking Member Portman is not here as of yet. We just came off a series of votes on the floor.

Senator Baldwin, do you have an opening statement?

Senator BALDWIN. Not at this time. I will wait until questions.

Senator TESTER. And, now, we will begin the introductions?

First, I will make the introductions, and then we will go to your testimony at which point your entire written testimony will be a part of the record. Try to keep your verbal comments to about 5 minutes. That allows Senator Baldwin, Senator Portman when he gets here and I, to ask more questions.

First, we have Luke McCormack. Luke is the Chief Information Officer (CIO) at the Department of Homeland Security (DHS). He oversees DHS continuing efforts to implement IT enhancements and strengthen IT security.

He previously served at the Department of Justice (DOJ), where he provided strategic direction, management services, oversight on cross-component information technology efforts and IT infrastructure services.

He also served in a variety of positions at DHS, including CIO for U.S. Immigrations and Customs Enforcement (ICE) and for Customs and Border Protection (CBP).

It is good to see you again today, Luke. I know it is your first time testifying, but I think it will be so enjoyable you will be clamoring to come back again. [Laughter.]

Stephen Warren is the Executive in Charge of Information and Technology at the Department of Veterans Affairs. Mr. Warren joined the Department of Veterans Affairs in 2007 and currently oversees the day-to-day activities of the VA's $3.7 billion IT budget in addition to over 8,000 IT employees.

Mr. Warren also served as CIO for the Federal Trade Commission and as CIO for the Office of Environmental Management at the Department of Energy.

It is good to have you here today, Stephen.

And then we have Donna Seymour. Donna is the new Chief Information Officer at the Office of Personnel Management. She is responsible for IT and technology solutions for OPM and previously served as the Acting Deputy Assistant Secretary of Defense for the Office of Warrior Care Policy.

She also served as Principal Director for Civilian Personnel Policy and has more than 34 years of Federal service.

Donna, thank you for coming here today, and it is good to have you, too.

David Powner is the Director of IT Management Issues at the U.S. Government Accountability Office. He is responsible for a large portion of the GAO's IT work that focuses on systems development and acquisition, IT governance and IT reform initiatives.

Previously, in the private sector, David served in executive level positions in the telecommunications industry, including overseeing IT and financial internal audits and software development associated with digital subscriber lines.

David has been a frequent witness before Congress, having testified more than 70 times in the last several years.

Thank you for coming today. It is good to have you here, David.

And, finally, Christopher Miller is the Program Executive Officer in charge of the DOD's Healthcare Management System. He is responsible for the modernization of DOD's clinical management sys-

tems, including the sharing of electronic health data between the Department of Defense and the Department of Veterans Affairs.

Christopher previously served as Executive Director of the Navy Space and Naval Warfare Systems Center Atlantic, managing engineering and business operations for a workforce of more than 4,000 Federal, civilian and military employees, and over 10,000 industry partners.

Thank you for being here, Christopher.

And thank you all for taking the time to be here.

It is a custom to swear in all the witnesses who appear before this Subcommittee. So, if you do not mind, I would ask you all to please stand, raise your right hand, and if you agree with what I am about to say, you can answer in the affirmative; if you do not, you can answer in the negative.

Do you swear that the testimony you will give before this Subcommittee will be the truth, the whole truth and nothing but the truth; so help you, God?

Mr. MCCORMACK. I do.

Mr. WARREN. I do.

Ms. SEYMOUR. I do.

Mr. POWNER. I do.

Mr. MILLER. I do.

Senator TESTER. Let the record reflect that all the witnesses answered in the affirmative.

So each of you will have, once again, 5 minutes for your oral statements. Please summarize your statements as much as possible. There will be a clock in front, and you can see that so we can have some time for questions.

The record for this will be open until June 25, and your complete written testimony will be a part of that record.

So, with that, Mr. McCormack, you can start.

TESTIMONY OF LUKE J. MCCORMACK,[1] CHIEF INFORMATION OFFICER, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. MCCORMACK. Chairman Tester, Senator Baldwin, good afternoon.

Today is indeed my first appearance before this Committee, and I thank you for the opportunity to speak to you about information technology at DHS.

I have more than 25 years of Federal IT experience, both within and outside of DHS, as well as private sector experience.

I have oversight responsibility for more than 90 major IT programs across 7 large operational components and the headquarters.

I have served as DHS's CIO for less than 6 months. Yet, I can say with conviction that DHS has made great strides toward the management of IT.

I will describe what DHS is doing as an enterprise to support delivery of mission capabilities in three areas: how we govern our infrastructure in DHS and across components, the efficiencies we can realize through appropriate and responsible enterprisewide efforts, and the importance of recruiting, training and retaining strong IT professionals.

[1] The prepared statement of Mr. McCormack appears in the Appendix on page 37.

To best govern our infrastructure, we have worked with CIOs across our components to establish a robust, tiered governance model that provides active oversight and ensures programs have the key executive stakeholders engaged to ensure success. At the top of this governance structure is the Department's Acquisition Review Board. The board has ultimate oversight over all large programs—those with a life cycle cost of $300 million or more.

As an interim measure, between board meetings, executive steering committees, comprised of key executives, meet to ensure programs stay on track or, in some cases, get back on track.

There is also an IT acquisition review process which confirms that acquisitions comply with security, accessibility and enterprise architecture requirements. The review process also ensures that acquisitions align with DHS's strategic direction on enterprise data centers, licenses and services. The DHS CIO approves every IT acquisition over $2.5 million.

Since the implementation of the tiered governance model, approximately one-third of DHS's acquisition programs have improved from moderate to low risk, and half have improved from high risk to moderate risk.

To strengthen our stewardship, we are working to streamline processes, address duplication of effort and integrate systems through the use of DHS enterprise architecture.

To augment this work, we are establishing portfolio governance boards in which DHS senior executives can drive decisions to effect better mission and business outcomes.

We are achieving tremendous progress in integrating IT infrastructure, establishing enterprise services and leveraging our size for purchasing power. For example, we estimate our recently completed network consolidation will result in an average cost savings of 12 percent of the operations and maintenance.

We negotiated more than a dozen enterprise license agreements with major software and hardware vendors, resulting in more than $125 million in cost avoidance.

We have consolidated 18 legacy data centers into 2 state-of-the-art enterprise data centers, and we migrated over 136,000 DHS employees to our e-mail service cloud offering and lowered our average mailbox cost from the industry benchmark average of $24 per month to a little over $8 per month.

Managing our workforce is the final issue I will address. Attracting, training and retaining quality DHS IT professionals are critically important to our long-term success. Over the past few years, we have been developing and implementing a strategy that outlines IT career paths and enables us to formally address how new workers can progress along a technical or managerial track. The Department continues to explore opportunities and collaborate on ways to create a community of high-performing IT professionals.

That concludes my remarks. I appreciate your time and attention.

I look forward to addressing your questions and concerns as well as the opportunity to work with you to ensure that DHS IT remains strong, responsive and secure.

Senator TESTER. Thank you, Luke. We also look forward to the opportunity to work with you.

Stephen, you are up.

TESTIMONY OF STEPHEN W. WARREN,[1] EXECUTIVE IN CHARGE OF INFORMATION AND TECHNOLOGY, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. WARREN. Chairman Tester, Ranking Member Portman, Senator Baldwin, thank you for the opportunity to speak today about the effectiveness and efficiency of IT programs at the Department of Veterans Affairs.

Before I begin, I would first like to recognize the Chairman for his strong and ongoing support for improving access to care through your support of multiple telehealth initiatives at the VA. In addition, your active involvement resulted in Ft. Harrison, Montana being the first VA medical center to convert to our phone services platform.

Thank you again, sir.

I presently serve as VA's Chief Information Officer managing VA's consolidated IT organization, one of the largest consolidated IT organizations in the world. As such, it is essential for VA to deliver IT solutions that work for our enterprise, which encompasses over 600,000 system users, over a million network devices in our 150 hospitals, 820 community-based outpatient clinics (CBOCs), 300 vet centers, 131 national cemeteries, 56 Benefits Administration Regional Offices and multiple administration centers.

VA's most significant success in creating efficiency is in the area of IT product delivery. For the fourth year in a row, our on-time delivery rate for IT projects tops 80 percent. We used to deliver at 30 percent of the projects we started. The industry rate is approximately 56 percent.

VA's efforts to improve product delivery was primarily driven by our implementation of our Product Management Accountability System (PMAS). PMAS is the disciplined approach VA uses to ensure the customer, project team, vendors, leadership and all stakeholders focus on a single, compelling mission—on-time delivery of IT capability into production.

PMAS mandates the agile best practice of delivering product capability in increments of 6 months or less. We have not only met but exceeded this goal. Our products now average 4.2 months from start to delivery.

We also had to align our workforce to the agile policies we set in place, ensuring we had the right staff on the right projects at the right time, and then changing the way we manage our human resources. And we accomplished this by moving to a competency-based model in October 2010. Our competency model established teams of trained, ready resources organized around specific skill sets that can be allocated to prioritize projects when needed.

The next important stage in our efforts is to move to DevOps. DevOps is an industry-leading best practice in which project development and IT operations organization barriers are removed to ensure more seamless delivery and support of products. This is already paying dividends as we have seen improvements in our re-

[1] The prepared statement of Mr. Warren appears in the Appendix on page 44.

lease capabilities by adopting repeatable, reliable, automated processes.

Our first major project utilizing these industry best practices was focused on automating the delivery of the post-9/11 education benefits to service members returning home from service. In 18 months, we delivered 12 releases and went from a paper process to an end-to-end automated system that has delivered over $6 billion in education benefits.

We also are applying the same concepts to the disability benefits processing. Disability claims processing has a long history of reviewing paper files with little or no investments in IT. In 2010, we began transforming this decades-old, manual, paper claims approach into a state-of-the-art electronic process with 6 major and 19 minor releases in the past year. The result has been a reduction in the disability claims backlog by 44 percent in the last year.

If we had waited for a complete processing system to be developed and deployed, our veterans would still be waiting. Delivering functionality to claims processors in manageable increments allowed us to build on solutions that worked and adjust the solutions that did not.

In conclusion, our ultimate goal is to ensure IT investments result in successful delivery of capabilities that serve veterans. This transformation took dedication and commitment, and we continue to evolve and improve our methodologies as our environments continue to change.

Thank you for the opportunity to appear before the Committee with my esteemed colleagues, and I am happy to take any questions you may have.

Senator TESTER. Thank you for your testimony, Stephen.

We have the CIO of the Office of Personnel Management. Donna, you are up.

TESTIMONY OF DONNA K. SEYMOUR,[1] CHIEF INFORMATION OFFICER, U.S. OFFICE OF PERSONNEL MANAGEMENT

Ms. SEYMOUR. Good afternoon, Chairman Tester, Ranking Member Portman and Senator Baldwin. Thank you for inviting me to participate in today's hearing to examine the state of the Federal IT workforce and projects. As CIO for OPM, Director Archuleta tasked me with conducting a thorough assessment of the state of IT at OPM. This process has led us to identify numerous opportunities for improvement.

Director Archuleta's goal is to put OPM at the forefront of IT innovation in the Federal Government.

Director Archuleta was made aware of opportunities for improvement in IT administration at OPM and made IT among her top priorities. She stated her intent to develop a plan for modernizing the agency's IT within 100 days of assuming office.

OPM released this strategic IT plan in March. It provides a framework for the use of data throughout the human resources life cycle.

Taking this approach, we will adopt an H.R. IT framework as a concept for sharing information among the various existing IT solu-

[1] The prepared statement of Ms. Seymour appears in the Appendix on page 50.

tions and future capabilities. We will provide a set of standards that will span the H.R. life cycle and support information exchange.

This framework will drive government and industry in creating solutions and supporting processes that provide high quality, modern IT services in a way that also ensures information-sharing.

The flagship initiative of Director Archuleta's Strategic IT Plan is enterprise information management. Providing technology at the enterprise level will allow us to reduce duplication. The enterprise initiatives will help us work better across programs and improve service to our stakeholders.

Director Archuleta's Strategic IT Plan encompasses IT systems across the H.R. life cycle from USAJOBS to retirement processing.

USAJOBS is stable, running well and easily handling high volumes of job announcements. USAJOBS averages 22 million visits per month with an average of 24 million visits in March and April. On average, over 90 million searches are conducted per month. We will continue to monitor and analyze the system and incrementally refine features like its search and navigation functions.

Director Archuleta is making modernizing the retirement system a top priority. OPM will move forward with progressive IT improvements for near-term results, including a case management system. While much of the retirement process remains paper-based, OPM has begun a gradual transition to a fully digital process. We believe that incremental progressive IT improvement will reduce the complexity of the challenge to a more manageable level.

As an example of how we are looking to the future, we are working with a payroll shared service center to pilot receipt of data electronically. After the pilot, we will be in a position to work with the other payroll shared service providers to eliminate hard-copy individual retirement records completely.

Additionally, we are building a means by which the electronic data can automatically be fed into our annuity calculator. This increases accuracy and allows our staff to provide better customer support.

OPM is playing a leading role in an effort to formalize Federal IT program management. OPM worked with OMB to add the title IT Program Manager to the job family standard for IT and to develop the IT Program Manager competencies and the IT Program Management Career Path Guide.

OPM also understands that agencies may need flexibilities to meet their hiring needs. OPM has partnered with the CIO Council to communicate the various hiring and pay authorities available to attract and hire the talent needed.

Director Archuleta is committed to reforming IT within OPM and across the Federal sector. OPM continues to work with the CIO Council to provide guidance and training curriculum on Federal IT program management and to educate agencies on their hiring flexibilities for critical IT positions.

Thank you for the opportunity to testify today, and I am happy to address any questions you may have.

Senator TESTER. Thank you, Donna Seymour. David Powner.

TESTIMONY OF DAVID A. POWNER,[1] DIRECTOR, INFORMATION TECHNOLOGY MANAGEMENT ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. POWNER. Chairman Tester, Ranking Member Portman and Senator Baldwin, we appreciate the opportunity to testify on how the Federal Government can better manage its annual $80 billion investment in information technology.

Of this $80 billion, about three-quarters is spent on operational or legacy systems, and the remaining goes toward new development. Therefore, it is vitally important that new systems acquisitions are managed effectively and that the government finds more efficient ways to deliver existing services.

Starting with how we can manage large IT acquisitions, four areas need improvement across the Federal Government: one, transparency; two, executive governance; three, incremental development; and four, using best practices.

The IT dashboard was put in place to improve the transparency by highlighting the status in CIO assessments of approximately 750 major IT investments across 27 departments. The accuracy of the information on the dashboard has improved over time, with certain agencies reporting more accurately than others.

Of the 750 major investments, about 575 are in green status, 150 are in yellow, and 40 are in red. So there are currently about 200 projects where the government will spend about $10 billion that are at risk and need attention.

Mr. Chairman, the agencies on this panel acknowledge with their dashboard ratings that, collectively, they have about 50 investments that tally $4.5 billion that need management attention. DOD still reports no red investments, but they have recently committed to a new process to improve their dashboard ratings.

OMB and agencies need to aggressively govern these at-risk investments, using TechStat sessions and other governance mechanisms. Our work has shown that both OMB and department and agency CIOs are not performing enough of these oversight meetings.

In addition to better transparency and CIO oversight, agencies need to tackle acquisitions in more manageable segments. A major aspect of the 2010 IT reform plan called for agencies to deliver in smaller segments to be successful. Our 2011 report on successful IT acquisitions proved this out as all examples were increments of larger projects and each used proven best practices like having the right staff and program management disciplines.

We recently reported that three-quarters of the IT acquisitions are not planning to deliver capabilities in 6 months and less than half plan to deliver within the year. Therefore, we still have too many big-bang projects that do not deliver anything for years and, therefore, run a high risk of failure.

Now I would like to turn to how the Federal Government can be more efficient in managing existing or legacy applications.

We have issued reports that highlight hundreds of investments providing similar functions across the Federal Government. The numbers here are staggering. For example, annually, the Federal

[1] The prepared statement of Mr. Powner appears in the Appendix on page 55.

Government invested in 780 supply chain systems totaling $3.3 billion, 660 human resource systems totaling $2.5 billion and 580 financial management systems totaling $2.7 billion.

OMB has an excellent initiative called PortfolioStat to eliminate this duplicative spending in administrative and business systems. OMB reports that agencies have achieved about $1.9 billion in savings through this initiative.

And our work shows that there are over 200 PortfolioStat initiatives that agencies are working on to eliminate duplicative spending and that $5.5 billion can be saved by 2015. It is critical that the 200-plus initiatives are driven to closure so that the $5 billion in savings can be achieved.

Several of these initiatives address software licensing, a topic that we recently reported on and made recommendations for improvement. That report highlights the fact that savings can be significant if the Federal Government better manages this area, but that is difficult to do when only 2 of the 24 major agencies report having a complete software license inventory.

Another major area where savings can be significant is addressing unused data center capacity. OMB started a data center consolidation effort in 2010 to address the government's low server utilization rates estimated, on average, at 10 to 15 percent, far from the industry standard of 60 percent.

Our ongoing work shows that about 750 centers have been closed or consolidated to date, over $1.3 billion in savings has resulted, and agencies estimate another $3 billion in savings in fiscal years (FY) 2014 and 2015. Therefore, expected savings through 2015 should be around $4.5 billion. Better transparency on this savings is needed, in our opinion.

Mr. Chairman, better managing large-scale acquisitions in legacy operations does not happen without strong and empowered CIOs. It is well documented that many CIOs do not have the responsibilities and authorities in their respective agencies to be successful. The Federal Government will struggle, addressing the areas mentioned, if the CIO issue is not properly addressed. A good starting point is for agency leadership to support and hold CIOs accountable for the areas I just outlined.

This concludes my statement.

Chairman Tester, Ranking Member Portman, I look forward to your questions.

Senator TESTER. Thank you for your testimony, David, and there will be questions.

TESTIMONY OF CHRISTOPHER MILLER[1] PROGRAM EXECUTIVE OFFICER, DOD HEALTHCARE MANAGEMENT SYSTEMS, U.S. DEPARTMENT OF DEFENSE

Mr. MILLER. Chairman Tester, Ranking Member Portman, Senator Baldwin, thank you for the opportunity to address the Subcommittee today.

I am honored to represent the Department of Defense as a senior official responsible for the Department's efforts to modernize our electronic health records and to make them more interoperable

[1] The prepared statement of Mr. Miller appears in the Appendix on page 77.

with those of the Department of Veterans Affairs and our private sector providers.

I also have the privilege of representing the DOD/VA Interagency Program Office (IPO), as the Acting Director.

DOD and VA are industry leaders in sharing health data. The departments are aggressively working to do more.

Together, we are moving from read-only data shared through current exchanges to enhanced interoperability that provides data that is more integrated into clinical work flows and usable. Today, more than 1.5 million data elements are shared, and as of April 2014, there are more than 5.3 million patient records that are usable and correlated between the departments.

DOD and VA have a longstanding collaborative interagency relationship. Joint activities are led by the Joint Executive Committee (JEC), which is co-chaired by the Under Secretary of Defense for Personnel and Readiness and the Deputy Secretary of Veterans Affairs.

In December 2013, the JEC refocused the IPO to help achieve the departments' shared vision and published in the Joint Strategic Plan for Fiscal Year 2013 to 2015, which is to provide a single system experience of lifetime service through the sharing of electronic health record information.

Additionally, DOD and VA have established an IOP Executive Committee to support development of standards and the required architectural components for interoperability. This is chaired by the Under Secretary of Defense for Acquisition, Technology and Logistics, my boss, and the VA Executive in Charge of Information and Technology, Mr. Warren, who is beside me today on the panel.

Providing seamless integrated sharing of standardized health data among DOD and VA and private sector providers is a critical component of delivering high quality health care for our service members, our veterans and their families.

Last year, the DOD and VA completed a series of data interoperability initiatives on an accelerated timeline, and we will develop, jointly, follow-on initiatives this year. These enhancements include improving and expanding the Janus joint legacy viewer, which provides access to an integrated view of DOD and VA records; upgrading the Blue Button capability, which provides online access to DOD and VA personal health data; and improving data federation between the departments to facilitate semantic interoperability, which is the ability of systems to exchange data with shared meaning.

The DOD/VA Interagency Program Office is working very closely with the Office of the National Coordinator for Health Information Technology to identify and adopt national standards for interoperability. In pursuit of its technical leadership role, the IPO recently developed a Health Interoperability Technical Package to drive both departments' implementation and adoption of national health standards; these are required for seamless interoperability. This document will be updated on a quarterly basis as applicable standards evolve and mature over time.

Over the past 10 years, DOD's medical health IT system has fallen behind industry capabilities. DOD's goal is a system for the future, which is open and flexible so it can easily adapt to meet

changing requirements. DOD Healthcare Management Systems Modernization Program will buildupon existing interoperability capabilities between both departments and our private care providers.

In May 2013, Secretary Hagel announced the decision to pursue a full and open competition to modernize our EHR system based on an exhaustive analysis of alternatives. The Department has stood up a program office, established a comprehensive program plan; developed an initial program cost estimate, a business case and an acquisition strategy.

As you know, the Department of Defense is focused on better buying power to improve the productivity of the Department of Defense. Our EHR modernization program is embracing these principles and applying them to ensure we deliver maximum value for our taxpayers.

Last, we have hosted three industry days while issuing two draft request for proposals (RFPs) for feedback from industry and government agencies. The final RFP will be released later this summer, and contract award is anticipated for 2015.

DOD has remained responsive to Congressional interests through its involvement with GAO. We have closely examined and addressed GAO's recommendations regarding costs and schedule.

We have developed an initial life cycle cost estimate and detailed program schedules for both the health data-sharing program and our DOD EHR Modernization Program. We have also aggressively worked to staff both programs with professionals with recent IT acquisition experience.

DOD is committed to pursuing enhanced interoperability and modernization of our electronic health record in the most effective and efficient way possible.

Again, thank you for this opportunity, and I look forward to your questions.

Senator TESTER. Well, thank you, Christopher, for your testimony.

And thank you all for your testimony.

I will turn it over to Ranking Member Portman now for his opening statement and/or questions.

OPENING STATEMENT OF SENATOR PORTMAN

Senator PORTMAN. Great. Thank you, Mr. Chairman.

I appreciate you all being here, and sorry I was not here right at the beginning. We were in the middle of votes, and Chairman Tester is faster than I am. Apparently, so is Ms. Baldwin.

But we are here on a very important mission, and that is to talk about the state of technology in the Federal Government. Some of these technology projects, IT projects, have been problematic, to say the least. We are here to look at some of those problems and see how we can fix them.

It is not just some of the results that you all talked about today which we want to get into further detail on, but it is also, how are these projects solicited, how are they awarded, how are they monitored and how are they implemented?

We also need to look at the workforce. The IT workforce, of course, is a big issue right now.

How do you attract the right people and retain them given the private sector competition? We have talked about that some in this Subcommittee.

And we need to be sure we have some of the best technical folks possible to carry out some of these difficult projects that you have. We have seen this with VA recently. Mr. Warren, I am sure we are going to talk some about that in more detail. From what we hear from press accounts and other sources, it sounds like the expertise of the staff has been part of the problem with the scheduling and with the IT issues.

This hearing is not the first hearing that Congress has had on this topic. There has been a long history of Congressional inquiries into how the Federal Government can better implement IT systems.

Almost 10 years ago, the Internal Revenue Service (IRS) spent about $3 billion on an IT system and found out at the end of the process it did not work. And the Appropriations Committee started a commission that I co-chaired with then-Senator Bob Kerrey, and we spent 2 years looking at it and came out with a bunch of recommendations that I think have helped with the IRS on their restructuring and reform.

But, again, unfortunately, we have seen lots of instances where there have been high-profile IT acquisition failures. So we have lots of work to do.

The Defense Department is here. We are going to talk some about your issues.

We are told that getting this Defense Department audit done is partly an IT challenge, and you know, getting the DOD audit ready has been a priority of mine and, I am sure, the Senators who are with me here on the panel today. We can talk about whether that is true, whether the IT issue is really one of the problems that is holding that up.

Obviously, with regard to the Affordable Care Act there are some ongoing concerns about the IT side.

The bottom line is what we have to acknowledge is that although the private sector is not perfect at these big projects and there have been plenty of failures on the private sector side too, more on the public side, and a lot of it is the capability on the private sector side seems to be advanced in terms of fielding innovative and adaptive IT systems.

The GAO has been helpful, and Mr. Powner, thank you for being here today.

You testified today about some of these problems you have identified. But more important to me and, I think, to the Chairman is, what are the solutions?

You have given us some ideas today that I just heard. You talked about implementing best practices, establishing and implementing incremental development policies, increasing attention on Federal data center consolidation. Those savings are pretty impressive. You said, basically, $4.5 billion over the next couple of years, it sounds like.

Strengthening PortfolioStat, which is something that is very important. Having been over at OMB, I think that is part of the answer here.

Anyway, I hope today we can have an opportunity to get some clarification on some of these issues and, more importantly, again, some of the steps needed to impact substantive change as well as how each of your departments are faring in some of the initiatives you talked about today.

And I look forward to asking some further questions, Mr. Chairman, when we are up to do that. I will do my questions later after you two have a chance to since I did my long opening statement here.

But I do appreciate the witnesses taking the time to be here and to prepare testimony for us today. Thank you.

Senator TESTER. Thank you, Senator Portman.

I am going to allow Senator Baldwin to ask questions.

Senator BALDWIN. Thank you, Mr. Chairman, and I want to thank you and the Ranking Member for holding this important hearing today.

I do want to just speak briefly about the VA's nationwide Access Audit before asking some questions on another topic. It makes this hearing particularly timely.

The Nationwide Access Audit revealed troubling scheduling practices and wait times, including at VA facilities in my home State of Wisconsin. There, the average wait time for a new patient who is trying to set up a first appointment with a primary care doctor at the Madison VA medical facility was 51 days. That is simply not acceptable.

In part, the scheduling and access problems are a result of legacy scheduling systems and inadequate training for VA employees on those systems. And I am certainly going to be interested to hear how current Federal IT initiatives could help address the VA's shortcomings in providing access to every one of our veterans.

But I wanted to focus in on another topic, and so on a positive note, Mr. Miller, I am interested in hearing about the DOD Healthcare Management Systems Modernization (DHMSM).

I have heard some really positive feedback at this stage of the process. So I want to commend you for the work that DHMSM has done thus far.

In particular, I was happy to see in your testimony that you have engaged with a number of private facilities, including Children's Hospital in Wisconsin, as well as a number of other systems, to learn about their approach to, and their experience with, acquisition and development of their electronic health records and systems.

That said, there are a few ways in which it seems like the DOD's procurement process is different than what would be done in a commercial setting or in a private setting, and so I wanted to ask you a few questions about the decisions and if you will be looking at changing anything in the next drafts of the request for proposals.

First, from my understanding of the proposal, there will not be the sort of traditional demonstrations of software for doctors and nurses to see how the system could meet their needs and directly participate in selecting the system. Instead, you are asking for sort of other things like screen shots to gauge usability.

The Office of the National Coordinator for Health IT recommends several demonstrations of at least 90 minutes in duration for the clinical stakeholders.

And I think in this case it is the doctors, the nurses, the therapists who are the extension of the IT workforce, and there has to be trust in order to make these work well.

So I am wondering if you are considering making any changes in the RFP relating to demonstrations and allowing providers and practitioners to have a voice in the selection process for DOD.

Mr. MILLER. So, ma'am, let me first say that when I first came on the job back in September one of the first things we did is we undertook an engagement with industry experts and leaders in this area, in the commercial health care market.

So, in addition to the places you have mentioned, I have met with Kaiser Permanente, Health Care Administration (HCA). I have met with a number of industries to learn the good and the bad.

And so it is important to recognize that our private health care providers are undergoing a transformation. The adoption of electronic health records is ahead of where many of the forecasts were going, and so there is a high likelihood even today everybody here that gets health care provided is going to be using some kind of electronic health care system.

And so we undertook to really go learn from those experiences and to really figure out how we should best develop our strategy, and the main thing that I will say we learned was it is more about the transformation of the business process and less about the IT.

The reason why I say that is because in our market research and our analysis we feel very confident that there are a number of commercial products, including those based on Veterans Health Information Systems and Technology Architecture (VistA), that could meet our requirement.

So, really, what we are looking to evaluate as part of our proposal is how well they do things like change management and training and help us standardize our business processes.

To your point, ma'am, there is a factor in our evaluation that deals with the product capability. Where I am different than the commercial companies that oftentimes get to go do a lot of interesting things to go make decisions, I have this thing called the Federal Acquisition Regulations (FAR), that we have to abide by.

So one of the things we are trying to do, ma'am, is make sure that we build an evaluation process that is as open and fair and transparent for all providers.

And so when you come to things like demonstrations, they potentially open up things that are difficult, and so we are trying to work through how we can still gain the insight and get our people the access they need without making this thing, in any way, shape or form, compromised or compromise the integrity of our acquisition.

So we are in the process of releasing an update to our RFP—a draft. Actually, if I get out of here early enough tonight, I am going to go sit through review.

But we are very close this week to issuing one. And it will have updates in those areas, ma'am, but we are trying to balance moving expeditiously with doing it right.

And just so you are aware, we have had over 1,000 comments on our RFP to date, and we have addressed every single one of those. And we will continue to engage industry and learn and make sure we provide feedback in those areas, ma'am.

Senator BALDWIN. I have a second question on this topic, but the comment I would have is just how valuable it is if your focus is really on transformation of the business process to be assured that the doctors, the nurses, the therapists are going to trust the instrument and use it——

Mr. MILLER. Yes, ma'am.

Senator BALDWIN [continuing]. Because the last thing you want is something that fails.

Mr. MILLER. Right. I should have addressed that, ma'am. My apologies.

And so, besides me, I would say I have an acquisition organization, but I am staffed with a lot of clinical and people from the community that are directly involved.

The selection, as it will go down, will be a combination of your traditional acquisition and legal, but we have a number of clinical experts from the services and from the leadership of the Department of Defense who will help make that decision.

Additionally, what we have also learned from industry, besides someone like me who kind of performs the acquisition IT role, the Department of Defense is establishing a functional champion who will bring that community leadership. So today, Admiral Bono is sort of stepping into that while we formally put someone in that position.

But the clinical relationship is a key piece of this. I am there to make them successful. This is not about what I am going out and trying to do in terms of making a selection. This is more about them being involved and really making that transformation for how they want to deliver care because I think there is a lot of opportunity here. I think when you see what industry does today and how they deliver care, the opportunities for patients to be more involved in their health care. Those are the kinds of opportunities we are aggressively going after, to really think how we position the Department of Defense moving forward with our health IT infrastructure.

Senator BALDWIN. If I could raise just one quick issue or ask one quick additional question and ask it very open-ended rather than leading; how do you decide weight that is placed on sort of the technology, the infrastructure, the architecture of a system versus functionality and features of the system?

How do you approach that in this process?

It is such a huge undertaking.

Mr. MILLER. Yes, ma'am. So the way we are approaching it is we basically have criteria, and those criteria have basically areas that we are going to evaluate.

And so, initially, we are going to evaluate, does the product meet certain gating—basically, is the product mature enough for us to be able to consider it?

And so those factors include things like the Office of National Coordinator certification. Can it work in our information assurance environment?

Basically, we are trying to make sure that the products we focus our evaluation on are really the ones we want.

So the next piece deals with we look at the technical requirements. Then we look at the actual product capability, and that product capability piece, ma'am, is what you are driving it in terms of the ability to support our clinical operations and do things. And then we have a piece that is cost-driven.

So our responsibility is going to be evaluate all of those factors and then work through the trades and what we value and what we want to incentivize so that we make the best decision for our taxpayer.

Senator BALDWIN. Thank you.

Mr. MILLER. Yes, ma'am.

Senator TESTER. Senator Portman.

Senator PORTMAN. Thank you, Mr. Chairman.

I would like to talk about the VA since it is a timely issue and because you all are here and you have had the opportunity to talk a little about some of your IT progress you have made at the VA.

I would like to focus in on the scheduling system. We just heard about the wait lists, and in Ohio, unfortunately, the wait lists are also unacceptably long.

We are waiting for the IG's report to come out. He is looking at another 42 VA centers beyond Phoenix, we are told, but the preliminary information that we have is really troubling.

The wait lists are unacceptably long, but hiding the length of those wait lists to meet Washington performance measures by kicking people off the wait list altogether is outrageous because you have veterans who, frankly, thought they were on a wait list and find out in Phoenix 1,700 of them were kicked off altogether.

We have heard the horror stories of people who, while on that wait list, actually expired. They died while they were waiting to get the care.

And part of the problem, as we understand it, is that the Veterans Health Information Systems and Technology Architecture—which is your scheduling program and IT system on the health side, is not working well.

We have heard that VA employees gamed the system, and we have heard that they have gone around the system. In the internal audit that the VA did that was released yesterday, it was reported that at 70 percent of VA facilities there was an instance of scheduling staff using some alternative to the electronic wait list in this VistA program.

Seventy percent of the VA facilities' scheduling staff were not even using the VistA program. So, clearly, this is indicative of a much deeper structural problem at the VA, not just an IT program, and we need to work to address those.

But it is also important we have the right IT system in place to support our veterans and support the processes the Department has for wait lists and for health care generally.

One of the things that we have learned is that these scheduling difficulties go back to at least 2005. So that is almost 10 years ago.

And, as you know, we are looking at legislation on the floor right now that would require the VA to enter into a contract with an independent third party for a 180-day assessment of the scheduling, staffing, finance, and other processes at each VA medical facility to review and assess employee training, technology, provider availability and other matters; also, establish a technology task force from the outside that would review the needs of the Department with respect to a scheduling system and scheduling software.

So, first, I would like your thoughts on what happened. Why has this been such a failure, to the detriment of our veterans?

And, two, what are your current plans to improve this scheduling function?

And then, three, what do you think of the legislation?

How do you weigh creating a new system versus leveraging some of the existing commercial software you have that is already in use in the private health care systems, and do you think the legislation is taking us down the right course to be able to correct these problems?

Mr. WARREN. Thank you, Ranking Member Portman, for that question.

As a veteran, I also find it unacceptable that those wait times were as long as they were and the activities that individuals took on the line.

I think you rightly pointed out this is a challenge that falls in three categories. It is people, process and technology. Technology is a piece of it.

And, if I could clarify one of your questions, when we talk about the VistA system, it is important to think about that system in two parts.

There is a clinical component that is used as part of care, and I think we found—and I hear feedback from clinicians all the time—that portion, which focuses and enforces and supports how we provide care, is one of the best ones out there.

But the administrative pieces, the ones that support the delivery of that care, in terms of scheduling, were not supported at the level they needed to have been.

However, lots of activity had already started, dealing with the IT piece. As an example, I talked about PMAS and the transformation that took place at the VA. One of the things that was an impetus for that change was we canceled the scheduling project that had been running for 10 years. You referred to that in your opening remarks.

It was part of the reviews that we undertook after IT got consolidated at the VA, and we identified how we did IT was not meeting the standard. We were meeting, or we were delivering, at a 30 percent rate.

So we stepped back. We looked at that project. And it was one of the ones that was not delivering nor was going to deliver.

At that point, we transformed how we did IT, and I talked about those statistics, about how we moved it.

Big projects fail. Small projects, tight timelines, with a lot of focus on outcome, deliver, and we have been able to show that. Focus on starting the ones that will succeed.

While we were doing those, a lot of work took place on the scheduling area. What were the processes? What were the requirements?

We went out—and there was an America COMPETES Act competition in 2012–2013, to look at and ask the question, could the marketplace provide a solution? And one of the things that came out from that competition was, yes, the marketplace could.

And along the way of proving that, we also validated what were the data interfaces standards that we need to use as well as developed the sandboxes or the places where vendors could come and show.

Senator PORTMAN. Let me interrupt you just for a second there so I make sure I understand this, Mr. Warren.

Your internal review, even short of whatever the IG comes up with, says that at 70 percent of your centers that staff were going around the VistA program and not using the scheduling software.

Are you suggesting that that was purposeful, in other words, that at the top you all were saying, the system is not working properly, so we need to try something else?

And I do not know what the correlation is between that 70 percent and where the problems occurred, but the suggestion is that is one of the reasons we have had so many problems.

So are you saying that the VA headquarters was partly responsible for not having in place a system that worked and was even maybe encouraging people not to use the system they had?

Mr. WARREN. Sir, I would like to make sure that in no way do I imply that individuals were encouraging folks on the line to circumvent the processes or the tools that were in place to schedule appointments.

Senator PORTMAN. OK.

Mr. WARREN. Unacceptable behavior, and we have heard that from the top. And for myself, as a veteran, I find it unacceptable and abhorrent that folks would do something like that.

Senator PORTMAN. But you were saying earlier that the scheduling software was not working properly.

Mr. WARREN. We recognized we needed to improve, and improvements have been taking place over that period of time.

We also recognized that we needed to replace it, and that is what the America COMPETES competition 2012–2013 was.

And 18 months ago, when we put the 2014 budget together, funding was put in that budget, and those acquisitions are underway to replace the scheduling portion, that old module, with a commercial product.

Senator PORTMAN. Do you think that is one reason 70 percent of the centers were not using the scheduling software?

Mr. WARREN. Sir, I have not been involved in the review in terms of understanding how the people and process piece broke down. I am sure technology was a part of it.

We have a parallel effort underway that our partners in the health—Veterans Health Administration have laid out for us to improve the interface so it was not so hard, so people did not have to dig through and find the list and manage it.

So I am sure individuals were frustrated with it.

But in terms of driving that as an outcome, it is a path we were on. The acquisitions are underway to actually get the commercial

product in and tie it to the health care portion, the clinical portion, which is really good, but deal with that administrative piece that really does not meet the standard.

Senator PORTMAN. OK. My time is expired. I need to go back to the Chairman, but I would like to followup on this to be sure we can understand what happened.

Senator TESTER. Thank you, Senator Portman.

This next question is going to be for everybody but GAO, and we will get to you later, David.

According to a poll released in February, approximately 50 percent of the Federal employees are either mulling a career switch or potentially moving out of the government because of their frustrations with pay freezes and political tacks and, quite frankly, an expectation that there may be better salaries out there for the same kind of work in the private sector.

It is not unusual for somebody to leave work—and correct me if I am wrong with this statement—to leave work on a Friday as a Federal employee and come back on Monday as a contractor. That seems strange to me, if that actually is happening—doing the same work with more pay.

We recently learned that a former contractor, a renowned fellow by the name of Edward Snowden, was being paid an annual salary of over $200,000. I do not know what you all are getting paid, but that is potentially more than what you are getting paid.

So the question is, when you are either working with folks that are around you—I will not say under you, but working with the folks that you work with, or trying to hire new folks, what are you hearing from them as far as being able to get the best and the brightest, or being able to keep the best and the brightest?

And we will start with you, Luke.

Mr. MCCORMACK. Thank you for that question.

Well, it is indeed true; there are situations where a Federal employee on a Friday becomes a contractor on Monday, and there are also experiences where a contractor on Friday becomes a Federal employee on Monday. So that goes both ways.

There certainly is an opportunity to continue to build the workforce core, and we have done that through a variety of mechanisms.

I mean, the reason why people join Federal service is not particularly for the pay. Most of us could go out in the private sector and pursue other, more lucrative opportunities. It is the mission that brings people forward, and it is the opportunity to make a difference that really draws people to the Federal workforce.

We are doing a variety of things to retain and attract Federal workers, including putting core competencies together and career tracks so that, as I said in my opening statement, an individual can go on a management career track or a technical career track. They can also rotate through various career fields, which allows them to broaden their career experience.

And we are also working on core competencies to make sure that we understand what those are and map those to the particular career tracks and make sure that we continue to train and develop the employees to support those core competencies.

Senator TESTER. OK. And we will get to you in a second, Steph.

Just very quickly, in your department, is recruitment and retention a problem when it comes to IT folks?

Mr. MCCORMACK. There is always opportunity to improve, but I would say that we are doing well——

Senator TESTER. OK.

Mr. MCCORMACK [continuing]. On our recruitment; we are doing well on our retention.

Senator TESTER. Steph.

Mr. WARREN. I think, to echo some of Luke's comments, it is part. I have—56 percent of my workforce are veterans in the IT organization.

Senator TESTER. That is good.

Mr. WARREN. And 68 percent of my contractors are service-disabled, veteran-owned small businesses. We focus on that, and we hire for that.

But even with that, it is hard at times. I mean, there is a lot of message that they hear, but their heart and their commitment keeps them there.

But we also look—and with your indulgence, I would like to recognize two individuals in the audience.

We have a Warrior to Workforce Program, and I have two of the gentlemen with me. Purple Hearts, active duty, served their time in harm's way, but we bring them in on a 3-year program. They are 18 months in. We train them to be acquisitions specialists, and they graduate as 2210 Project Managers. So we bring them in. We help them.

We meet our mission on the VA side, but we also start building an IT workforce. So we do a lot of feeder work.

But it is a lot of work that we do to inspire and motivate the team, to talk about the mission, but many of them come with that mission and commitment in terms of they want to make that difference.

Senator TESTER. Good. Raise your hand, fellows. Which two are you?

Mr. WARREN. Oh, we lost one. He stepped out.

Timing is everything, sir.

Senator TESTER. Thank you.

Mr. WARREN. Thank you, sir.

Senator TESTER. Donna, the same thing; how is recruiting and retention going?

Ms. SEYMOUR. OPM is working with the agencies in a number of areas.

This past couple of months we have had the first ever Chief Human Capital Officer (CHCO), and the CIO Council combined meeting, where we worked with the CIO Council to explain the pay and leave flexibilities and hiring flexibilities that are available to agencies——

Senator TESTER. OK.

Ms. SEYMOUR [continuing]. In particular, some of the direct hiring authority for the information security specialists, pay and leave flexibilities and expert consultants, incentive pays, retention pay, those types of things.

I think that when you look at the Federal workforce, you have to talk about total compensation. It is not just the pay.

Senator TESTER. OK.

Ms. SEYMOUR. And you have to look at the types of work that you do in the Federal Government as opposed to private industry, with perhaps more responsibility earlier in your career.

Senator TESTER. So the bottom line is you think we are competitive in our pay scale with the private sector even though we hear stories like Snowden making 200 grand.

Ms. SEYMOUR. I will not say that we are competitive with the pay scales, and I will not say that we are not.

What I think we have to do is look at the total compensation package.

Senator TESTER. OK.

Ms. SEYMOUR. So it is not just a salary piece.

Senator TESTER. OK, Christopher.

Mr. MILLER. Sir, I probably have the smallest workforce up here. I have a very small acquisition organization. I would tell you we have just recently hired, and the interest is overwhelming.

And I think I would echo it is not about the money for people who come work for the Federal Government. These people want to make a difference. They want to get involved in our programs and make a difference, sir.

Senator TESTER. OK.

Mr. MILLER. On the retention side, I am not losing a lot of people right now. Again, it comes back to the mission.

But I will echo we do watch those things, and we are very closely monitoring it.

Senator TESTER. Overall, just very quickly because I want to get back to Senator Portman's questions, some of you, if not all of you, do in-house work and contractor work. Which is the most cost-effective, in-house work or the contractor?

Luke.

Mr. MCCORMACK. A lot of that depends on the work.

Where we try to focus our attention is on the oversight of the various initiatives as we look to pursue things like "cloud first" and buy-as-a-service type capabilities. We are not building that in-house. We are becoming smart buyers, and so what we are looking for is our workforce that can be a smart buyer and then do proper oversight of those types of capabilities.

Senator TESTER. So would the rest of you agree on that; it just depends on what—are we comparing apples and oranges here? Steph.

Mr. WARREN. Sir, I think—and Luke is sort of touching on it—it depends the work that you want to have done.

Senator TESTER. OK.

Mr. WARREN. So, as an example, integrators. We have had a terrible history in the past of the integrator being a vendor. The goal and the outcome did not align.

Senator TESTER. Right.

Mr. WARREN. So we view SPAWAR as a government entity to do integration for us. They did for the new GI Bill. They have done for VBMS.

Senator TESTER. OK.

Mr. WARREN. We are now building an internal capability.

So, high on the value chain—Federal. But there is a lot of commodity items out there that you can draw upon and build with.

Senator TESTER. Good enough. Go ahead, Donna.

Ms. SEYMOUR. At OPM, I think we are looking at the type of work as well. I would agree with Luke and Steph.

But I also think when you are dealing with policy, when you are dealing with roles that have decision capability, those are certainly government and should remain government.

Where you have some work that is more—I do not want to say mundane but where there is not a decision and a policy to be made——

Senator TESTER. Right. You are looking for an end product.

Ms. SEYMOUR [continuing]. Then those are certainly contractable.

Mr. MILLER. Sir, you cannot outsource your brain.

And so one of the things I have been very demanding of our people is every time we make a decision on whether or not we are going to go out to have industry do it or we are going to do it, I always force my people to explain to me why—first, why the government cannot do it and why we cannot bring in the labs and warfare centers and other opportunities to give our people expertise.

But then, second, they have to make a strong argument that it is in the government's and taxpayers' best interest——

Senator TESTER. Yes.

Mr. MILLER [continuing]. Because we have to have a long-term——

Senator TESTER. Well, I appreciate that, and I would hope that every agency would do exactly that, depending on the situation, to go with the best work at the best price. Senator Portman.

Senator PORTMAN. Thank you, Mr. Chairman.

And thank you all for your service and your willingness to, as Mr. McCormack said, probably earn a little less than you could in the private sector because you are trying to do public service and ensure that people are taken care of.

On the VA front, let me just followup with our previous back and forth.

It sounds like one thing that you have identified, Mr. Warren, is that you said there is an interface problem.

What I read that to mean is it is too hard for some people to use the old system. As I have said, there have been 10 years of problems that have been reported, and GAO and your IG have demonstrated that there are scheduling difficulties with the system.

And part of the problem with not being able to operate the system probably goes to the workforce not having the training that they would need to be able to do that well, because in 2009 your Inspector General reported that there was very little training or mentoring being conducted in veterans health facilities.

Again, in 2013, just last year, an inspection concluded that staff members did not consistently and correctly use the consult, management, reporting and tracking systems. In clinics, more than half of the schedulers reported that they had not received any training.

So I guess my question to you is, do we have improperly trained schedulers here, and if so, why and what are we going to do about it?

An IT system's strengths, obviously, are irrelevant if the people charged with using the system cannot interface, as you say, with the system, cannot pull up the data, as you say, and are not getting the training to be able to use it.

How would you respond to that?

Mr. WARREN. Sir, I provide the tools that the individuals at the sites use. I will gladly bring back to you for the record the actions that are taking place—significant engagement by leadership to deal with the issues identified.

We are also being respectful of the work that the IG team is doing with respect to their audit and investigation, but significant boots on the ground to deal with the issues that were identified as part of the assessment.

We have efforts underway to simplify the interface, to deal with some of the things that were identified as part of the assessment, to get that in place while we acquire the replacement—the commercial product to replace that scheduling system.

But, glad to get that back to you, sir, for the record in terms of the multiple things underway that are being applied to address the issues that were raised, sir.

Senator PORTMAN. Let me just back up and be sure you understood my question. My question is about the training.

Do you think that the training is adequate now?

Do you think it is part of the reason we have had these, as you say, unacceptably long wait lists, and certainly in those cases there was fraud?

We do not know where that happened, but we know it happened in Phoenix, and there are 42 other VA centers being investigated now by the IG.

Do you think part of it is this issue that was identified by GAO and by the IG in the last couple of years- 09 IG, 2013 inspection, again, that said that more than half of the schedulers reported they had not received any training? Has that been part of the problem or not?

Mr. WARREN. Sir, I do not have direct knowledge. So we will take the reports at face value in terms of those were issues identified that need to be worked with.

And, as the acting secretary had laid out, there is a multitude of items that we are putting in place, actions taking place, to deal with that. Training is one of them. So the reports identified that. I have no basis to disagree.

And, again, we will get you the response in terms of what we are doing about the training issue, as well as I believe the assessments are being rolled out in terms of what was identified, sir.

Senator PORTMAN. You said a moment ago you are pursuing a commercially available software, it sounds like, for scheduling. Is that accurate?

Mr. WARREN. Yes, sir, there is an acquisition. There is a meeting with industry taking place next week to walk through the requirements, and then there are individual vendor interviews to make sure we have the acquisition correct.

Before the end of this fiscal year, that acquisition will be out to replace the commercial product, and we will be building on the interfaces that were developed as part of the America COMPETES

Act and using the sandboxes, or test areas, to have the vendors come in and demonstrate their solutions, to show that it meets the clinical needs.

Senator PORTMAN. Yes. Again, I think there was plenty of evidence that we had a problem here, and it has now come to light with these extreme examples.

But really, when you look back over the last 10 years, GAO and your own IG have identified some of the problems, and difficulty in using the system, perhaps. Certainly, at 70 percent of the VA centers, there was at least some instance of people going around the system, improper training, more than half the schedulers not receiving training.

Why did we miss those flags?

Mr. WARREN. Sir, it is difficult for me to opine on the direct operational in terms of how care is given by the schedulers.

Again, a tool is neutral. Yes, you can do better work on the interfaces, on the usability design, but components of the issues that the VA is dealing with deal the people and the process component as well.

Senator PORTMAN. Well, we would love for you to provide some more specific answers to some of our questions to the Subcommittee, if you would, please. It is just for us to be able to understand better what is going on.

What are the next steps for improving the scheduling software system? You talked some about that today.

What is your timeline on it? You mentioned by the end of the year to have some of this commercially available acquisition started.

What are some of the key capabilities you are looking for?

What are your risks? What do you see as the greatest risks in the plan, to be able to anticipate those this time better?

And I think you have answered this, but are you leveraging commercially available software?

Mr. WARREN. We are, sir.

And we are glad to get back on the record the range of questions you had asked.

Senator PORTMAN. Thank you very much. I appreciate it.

Mr. Miller, I have some questions for you, and my time is expiring here.

But one of the issues I think we would like to get in front of is this interoperability between the VA and DOD. You talked about it today, and the need to modernize the electronic health records.

I think there are, unfortunately, a lot of cases of service members falling between the cracks somehow when they leave your side of the house and go over to the VA, and that transition is often tough, and some of it is record management systems, as I understand it.

I understand that service members can receive an electronic copy of their health records only if they request it, but many either do not know that or fail to request it until it is too late. Is that accurate?

Mr. MILLER. Sir, I will have to take it for the record to get the official policy, but as I mentioned earlier, one of the initiatives we have undertaken is to provide access through Blue Button so that our service members can get access to their record.

But I will come back for the record and answer that, sir.

Senator PORTMAN. OK. I think that that would be interesting for the Committee to know.

I do not know if you know this legislation called the Medical Evaluation Parity for Service Members Act (MEPS). And it says, "let's get an evaluation when people go into the military and when they exit and have some sort of a benchmark to know," trying to avoid some of these tragic instances that we all know about—mental health concerns.

That legislation would require DOD to report to Congress on its ability to provide service members an electronic copy of their health records upon separation from the military.

If you would not mind looking at that legislation and giving us your opinion on it, that would be helpful.

Mr. MILLER. Yes, will do, sir.

Senator PORTMAN. Thank you.

Thank you, Mr. Chairman.

Senator TESTER. Thank you, Senator Portman.

I am going to go with you, Steph. I have a couple questions for the VA.

It has been well documented that some of the employees—and Senator Portman talked about this—manipulated the computer scheduling system. Can they do that today, or have you been able to fix that with the current system?

Mr. WARREN. Sir, the challenge we have is the scheduling system——

Senator TESTER. Right.

Mr. WARREN [continuing]. Is something that allows individuals to make appointments.

Senator TESTER. OK.

Mr. WARREN. And so, when you make an appointment, there are opportunities for the appointments to change——

Senator TESTER. OK.

Mr. WARREN [continuing]. If the veteran would like to change.

Senator TESTER. I understand.

Mr. WARREN. And so it is, how do you understand whether it was a clinician needing to change or a veteran needing to change or somebody doing something wrong? That is what the audit or the IG is out looking at, to try and understand this.

Senator TESTER. I understand.

And so when the new system gets in, is that going to be one of the components you guys are paying particular attention to—how you can follow that audit trail, so to speak, to know who made the request?

Mr. WARREN. I think you can be assured, sir, that the audit and audit features in terms of how do you differentiate is one of the areas of concern for us.

Senator TESTER. OK. One of the things that I want to point out to you because we got a report yesterday on Montana's VA, it is a 48-day wait list for the folks that are new.

And there are multiple reasons for that. It is not all IT. It is staffing. It is getting time appointments because it takes three times as long to see those folks once they get in the hospital.

But I will say that the vets who are returning vets, their appointments were filled within 8 days. So I want to say that the VA, although it needs some upgrading, there are areas where they did perform to standard and, often times, above.

I want to talk a little bit about the DOD/VA record-sharing, too. Are we there yet?

Mr. MILLER. Sir, I do not think we are ever there.

I would say a couple of highlights I would hit, sir.

One is as of January all of our service treatment records now flow electronically into the VA system. So that is a positive thing. Now we do not have to worry about storing files. We do not have to worry about things getting lost. And so we have made that.

Sir, I think we are always going to have work to improve the data-sharing because things are happening in the commercial world; things are happening in terms of our understanding. And so I think we are going to continually be looking at ways to improve the data-sharing between the two departments.

Senator TESTER. I have that.

The reason I bring that up is because some of the backlog that the VA has is because—and you correct me if I am wrong because I could be—they cannot get the information on what happened to that soldier when they were in the field.

Mr. MILLER. So, sir, it is important to recognize that the backlog covers a wide breadth of time, right.

Senator TESTER. Oh, I know. Yes.

Mr. MILLER. So depending on when the service member left active duty, the problem can be different. Right, sir?

Senator TESTER. Right.

Mr. MILLER. And so we are doing everything possible to make sure that the information is flowing to the VA.

Senator TESTER. And we had this conversation. I am on the Veterans' Affairs Committee. So I have had the conversation with staff.

As Chairman Mikulski brought together the appropriators we had the discussion with the DOD and the VA and everybody else.

The point is this; you cannot do it for everybody because a lot of them retired during the Vietnam era, for example.

But you have veterans coming back from Afghanistan right now, that the VA should have access to their information. Do they?

Mr. MILLER. Sir, that is where we are working closely with the VA to start doing things prior to the separation to help coordinator.

And so those are those areas of improvement where the information is in our system electronically today, sir, and so that is where we are working in a partnership with the VA to start helping that transition——

Senator TESTER. I understand.

Mr. MILLER [continuing]. Because it is there, sir. It is a matter of the processes lining up.

Senator TESTER. I am not being critical. I know your hearts are in the right condition, or rather in the right place.

But I would say that from a farmer's perspective, which is what I really am, it does not make any sense to me why you cannot make those things talk to one another to get that information.

And, Steph, do you want to talk to that?

You can speak to it, Christopher, and then I am going to have Steph do it.

Mr. MILLER. So, sir, they do talk, right. I think it is important that we recognize that there is a data-sharing in support of making clinical and medical decisions. That is what I referenced earlier, where we have over five million health records that are correlated on both sides.

When we start talking claims disability evaluation, that is where there are more things that come into play, sir, and so that is where I think we can do a better job.

Senator TESTER. OK.

Mr. MILLER. We are going to continue to work together.

Senator TESTER. Good.

Mr. MILLER. But for medical decisions, when people move, that information is flowing, sir, but there are other things that come into play for a service treatment record that we have to bring in and have to be done and certified and support that.

Senator TESTER. We are on the same page. I understand where you are, and it can be done if there is a commitment to do it.

And, Steph, would you want to respond to that?

Mr. WARREN. Sir—and I think to build on some of the points Chris Miller has made is you are talking about two different things.

One deals with care. How do you make sure you have the information available to the clinician so they can make those care decisions?

Chris talked about the Janus viewer, the thing we rolled out to the polytrauma units last year, and we are expanding up to over 2,500 clinicians this year.

The other one deals with the decision in terms of a benefit, and so the Health Artifact and Image Management Solution (HAIMS) and those Service Treatment Records (STRs) coming in.

Senator TESTER. Yes.

Mr. WARREN. It deals with the duty-to-assist clock, and so now getting those records.

Senator TESTER. Yes.

Mr. WARREN. You are right; we still need to deal with the ones who separated before.

Senator TESTER. Yes.

Mr. WARREN. How do we get that in?

And we have our commitment from our partners at DOD to deal with those.

But I know this is the dangerous part in a hearing—there is actually a third part that we need to make sure we talk about—is when we take the care out into the private sector. Yes.

Mr. WARREN. We lose the goodness of the electronic systems——

Senator TESTER. I understand.

Mr. WARREN [continuing]. If that information does not come in a form that we can use to do that quality care, sir.

Senator TESTER. I understand. And you are right.

The only thing that I would say is just that we live in a world that moves very fast, and I think we have been talking about this for at least 7½ years. I think since I got on the VA Committee, we

have talked about those two systems being seamless and so that—well, you understand.

I want to talk about something that is somewhat similar, and I will talk to you about it first, Luke. You are in Homeland Security. If CBP is looking for a major investment in IT that maybe the Air Force has done something similar, or DOD has done something similar to, No. 1, do you seek that information out, and No. 2, how do you seek that information out, and No. 3, how many times has that happened?

Mr. MCCORMACK. There is an entire process that we would go through to evaluate any type of capability, what is called a market research, and a market research would look into the private sector and see what is available through commercialized products.

And we would also look internally to see if there is a capability across the Federal landscape and see if there is a fit there, see if we can reuse that capability and leverage it as sort of what is commonly called a GOTS-type configuration, where somebody has already built some type of environment, some type of capability that we could just adopt and incorporate into our environment.

I would have to get back to you for the record on how often that has happened. I do not have a number off the top of my head.

Senator TESTER. Well, I just think—and we talked a little bit about this yesterday, Luke.

I mean, I think the CIO Council is an opportunity, but the bottom line is there is no need to build the wheel if it has already been built. But you have to go look for that wheel.

Mr. MCCORMACK. Sure.

Senator TESTER. And, hopefully, that is happening.

Steph, we are going to go back to VA telemed here for a little bit. Can you tell me what kind of telemedicine initiatives are out there and if you plan on expanding upon them?

Mr. WARREN. Multiple. The way we structured it so far is that we have made sure that every location can run two concurrent televideo conferences.

Senator TESTER. Now what are you talking about—every location? Are you talking about every CBOC, or are you talking about every hospital?

Mr. WARREN. All the hospitals are done, and now we are moving into the CBOC in terms of giving them the capability, starting with the largest one.

Senator TESTER. OK.

Mr. WARREN. We also have the home telehealth program, where we have devices in the home. So veterans are able to take advantage of that. In fact, in 2013, we had 600,000 had 1.7 million telehealth base care health episodes.

Senator TESTER. OK.

Mr. WARREN. So that is a large number.

And what we have seen is when you do that, that home telehealth, we reduce our bed days down by 59 percent.

Senator TESTER. So long-term, are you looking to have telemed in every CBOC?

Mr. WARREN. We are driving on that, and I will share with you I had the unique experience of sitting on a telemental interview.

Senator TESTER. Yes.

Mr. WARREN. And the feedback from the veteran of——

Senator TESTER. It was very positive.

Mr. WARREN [continuing]. When I have a bad day, I do not have to get in a car and fight my way there.

Senator TESTER. Right.

Mr. WARREN. And just the ability in the comfort of the home to have the engagement—just powerful in terms of being able to use that.

And we see that as an opportunity in the rural areas of how we could expand that network.

Senator TESTER. It is huge. And most of the telemed you are doing is mental health-related?

Mr. WARREN. Mental health is a place we are driving on.

But we actually met with the innovations center and they are looking at some of the devices in terms of how do you remotely do tuning of a hearing aid so the veteran does not have to actually come into a location to do that.

Senator TESTER. Cool.

Mr. WARREN. So, again, expanding the capabilities and using the technology, sir.

Senator TESTER. OK. What is the biggest obstacle for the delivery of telemed right now?

Mr. WARREN. I would share that the one place—and I think all of us, when we deal with work at home as well—is that last mile. We can drive it to. We can use the big providers. But once you get into the rural areas, how do you make the connection?

Senator TESTER. Yes.

Mr. WARREN. And we know there is a program, I think with the FCC, where dollars are collected as part of the fees.

Senator TESTER. Yes.

Mr. WARREN. How do we get them engaged with driving out into the communities and building the infrastructure that we can use, sir?

Senator TESTER. David Powner, in your testimony, you talked about we need better transparency in savings. How do we achieve it? How do we achieve better transparency?

Mr. POWNER. In terms of—the data center consolidation is one good example. I think there is data.gov. You can actually go into data.gov and look at closures to date, but you cannot see the savings to date. So I can tell you what centers have been closed at what agency.

And there is a lot of success stories. DOD has a bunch of them.

But all that savings is kind of behind the scenes, and we think there should be more because the key going forward—there is about $3 billion that the agencies are telling us, we can save in fiscal years 2014 and 2015 alone on data centers consolidation going forward.

And having that transparency on that actually helps in terms of execution.

Senator TESTER. OK. You also talked about the CIOs' need to be empowered by agency leadership. The spending authority? What kind of empowerment are you talking about?

Mr. POWNER. Spending authority is one way to go, but if you look historically at the CIO position and whether CIOs are consistently

supported by dep secretaries and the like, I think the short answer to that is they are not. And I think there are examples across the Federal Government where that has happened, and that is why we have this authority issue.

Do CIOs have the authority to go in, whether they have budget authority or not, to stop a project that is not performing well?

Senator TESTER. Right.

Mr. POWNER. And the answer to that is not consistently across the Federal Government.

Senator TESTER. So let me ask the other folks.

In your position, do you have the ability to single-handedly stop a project, Luke?

Mr. MCCORMACK. It is never a single-handed decision, but I would certainly say that through our governance process, by all means, we have the means to stop a project, and we have.

Senator TESTER. But you are the leader of the pack, right?

I mean, you are the leader of the information?

Mr. MCCORMACK. Sure.

Senator TESTER. And so if you have something that is going upside-down——

Mr. MCCORMACK. Right, I have the authority to throw a technical flag down on any given IT project and say that we need to pause and reassess what we are doing.

Senator TESTER. Steph.

Mr. WARREN. I do as a consolidated organization, but I always make sure my business customer is aware and they understand why.

Senator TESTER. Then it is much bigger than just walking in and saying, yes. Donna.

Ms. SEYMOUR. I would agree with my colleagues. It is a partnership with the business.

Senator TESTER. OK.

Ms. SEYMOUR. And I think that given the director's authority over operating the entire agency, it is something that takes some engagement across leadership in a governance model.

Senator TESTER. Christopher.

Mr. MILLER. Sir, I am not a CIO.

I am an acquisition professional, and so I would say that from—that within the Department of Defense, for major efforts like this, where the Department is going to acquire something, it is a partnership. So I regularly brief our CIO as my boss, Mr. Kendall.

Senator TESTER. All right.

Mr. MILLER. And I would offer that either one of them can have the ability to stop the program if they are not comfortable where it is going.

Senator TESTER. OK.

Spending authority. I think you said it in your testimony, that you have it, right, Steph?

Mr. WARREN. Yes, I do, sir. I am responsible for the budget. I make sure that the prioritization is done——

Senator TESTER. Right.

Mr. WARREN [continuing]. With the under secretaries. They own that.

Senator TESTER. OK Luke.

Mr. MCCORMACK. I have the oversight for all the spend across the Department. We do that in sort of a federated mode, but I certainly have the oversight capability on all spend.

As I said in my opening testimony, we are checking down to the spends that are $2.5 million or less. We check—or, $2.5 million or more. I review every one of those.

Senator TESTER. David, of the agencies that are out there, how many CIOs have spending authority? Not just the ones here but you know.

Mr. POWNER. Not very many.

Senator TESTER. Very few.

Senator TESTER. In terms of spending authority, not very many. Very few.

I think you are right.

Mr. POWNER. If you look at PortfolioStat, PortfolioStat was not focused on mission-critical acquisitions. It was focused on commodity, or business, and administrative systems.

And I think we had seven or eight agency CIOs tell us that they did not have authority over the business and administrative systems. That is not a very good situation.

Senator TESTER. I agree.

So what is your biggest challenge right now, Luke?

Mr. MCCORMACK. I would say it is the same challenge that I had at ICE. It is the same challenge I had at DOJ. It is the demand always outstrips the capacity.

Senator TESTER. And is that because of money, or is that because of manpower?

Mr. MCCORMACK. I think it is probably a little bit of all that, right?

There is always a balance on resources, and it is just the capacity of the ecosystem. Whether it is the acquisition community, the PM, the project management community, the user community who has to partner with us on these various programs, I think that the demand always outstrips the capacity.

Senator TESTER. Steph, if you were to take the VA situation right now and set it aside if you can, what is your biggest challenge besides that?

Mr. WARREN. I would say, as a leader who has many years in the Federal sector, it is the sense of helplessness at times. I come across folks in the organization, the middle management—the 14s, the 15s, the 13s—in terms of them understanding they have responsibility and have obligations and, yes, they need to drive on it.

Sometimes it is easy to focus on a process, and a lot of our work has been about individual responsibility for the outcome because that is what we are there for. We are not to write reports. We are there to deliver services and benefits to those who provide to our veterans, and so we drive on that.

But it is a challenge because many folks come from outside and they have not had that discipline; they have not had that drive.

We have been very successful. I have a high-driving team. But we also have areas we still need to work on, sir.

Senator TESTER. David, one question for you, has the OMB and the CIO Council been effective in holding agencies accountable for CIO performance?

Mr. POWNER. At times, and I will give you a good example.

Right after the dashboard was rolled out, there were these TechStat sessions, executive review sessions at OMB. There were about 58 projects and about 70 meetings held. So some of them were held multiple times.

During that period of time, there were projects terminated and rescoped. OMB claims $3 billion in savings over about a year period. That is where they got really active in reviewing projects.

And I will give you one example—the ECSS project that failed with the Air Force, that we spent a billion dollars with nothing to show for it.

Senator TESTER. Yes.

Mr. POWNER. That was the only project TechStatted three times.

So that is very effective.

So I think between what the agency CIO executive team does with their governance activities that were discussed here.

But I also think there is another level, that when you look at OMB, I think they can do a more effective job. They are not doing a lot of those TechStat sessions now, and we have documented and testified to that point, but that has been very effective.

So one key question would be—and we have raised this—from a Federal CIO perspective or the CIO Council, what are the top 15 or 20 projects for the Nation?

We have 750 major projects on the dashboard. Only 275 of those are new acquisitions. It is really not that many when you look governmentwide.

Senator TESTER. Yes.

Mr. POWNER. What are the top 15 or 20?

I guarantee that electronic health records would make the cut. It would definitely make the cut.

Senator TESTER. Yes.

Mr. POWNER. And having some visibility there, with additional Congressional oversight.

Senator TESTER. Yes.

Mr. POWNER. Very helpful.

Senator TESTER. This is for everybody but you, Mr. Powner.

How often are your agencies using PortfolioStats or TechStats, and do you believe they are effective tools?

Start with you, Luke.

Mr. MCCORMACK. We have used the TechStats very often. We have done over 14 of those. I think they have been very effective, whether it is re-baselining the schedule, giving the program the type of help it needs to get it back on track. So that has been very effective over the course of the last couple years.

I think the PortfolioStat is very powerful, and I think that is another way, by the way, that the council sort of holds the CIO accountable because you are in there evaluating your entire spend profile.

And, while a lot of it is focused on commodity, a lot of money is spent on commodity. In an agency, typically, half the IT spend is commodity-based.

And you are in there with your entire leadership team, explaining why you are spending the money you are and also comparing

you, which I think is one of the most powerful parts of PortfolioStat, to quintiles in your area.

So you can see how much it is costing you to deliver a desktop per user and compare that to how much the State Department delivers a desktop or how much VA delivers a desktop. And you are being accountable to explain why you are in the upper part of that quintile as opposed to delivering that capability for much less.

So I think that is a powerful tool, and I think it is—as GAO has testified here, has saved upwards up to $1.9 billion, and I think there is a whole lot more opportunity out there.

Senator TESTER. Steph.

Mr. WARREN. So I may get stoned by saying this, but the TechStats were actually taken from a program that the VA established in 2010.

So I can tell you this year we have done 20 so far; last year, 37; the prior year, 68.

Anytime a project does not appear to be making its date, we have a TechStat. Why are we going to miss the date? What do you need?

One of the things that we have driven into the organization is not just the TechStat, which is if you are going to miss, once a week we have a red flag meeting because we look at projects as a contract. And any project leader, any person on a project—a contractor, a member of the team, a customer—if you believe your project is not going to deliver, you throw the flag. I have every one of my leaders on that call to solve the problems and get the solutions delivered.

So we find them very useful, and we find them as a lessons learned. How do we learn from the things that got in the way that would preclude the delivery?

Senator TESTER. Donna.

Ms. SEYMOUR. Being new in OPM, I used TechStat and PortfolioStat to kind of get a handle on their programs as I came in because the prior CIO had already departed, and so I found both of those tools to be very valuable just to gain a sense of our major investments but also some of our less-than-major investments.

And the TechStat has really given me the ability to deep-dive into a couple of areas.

And then, of course, the Portfolio Stat, reviewing the 2013 and getting ready for 2014, I think, has really put me in a better place to be able to plan ahead.

Senator TESTER. OK. Christopher.

Mr. MILLER. So, sir, I am probably a little unique here. I do not think there is any other program like what I am running right now at the Department of Defense. The amount of engagement and oversight that I have right now, sir, is probably mind-boggling to some people.

I would tell you, sir, that the Secretary gets briefed about once a week, and I brief OSD senior leadership at least once a month. And I will tell you we have done more things to analyze the investment, to analyze the schedule of performance.

And so I would say we are doing some things right now that are innovative and different, and I think we are trying to learn some things here.

One of the things I would highlight is we have very much tried to learn from the commercial industry in terms of what the statistics and comparable points are in terms of how we think about both schedule as well as the investment for our program, to make sure we are really judging ourselves in the right way, sir.

Senator TESTER. OK. Well, I will just tell you I appreciate all of you guys showing up today. I appreciate your testimony. I appreciate your straightforward answers to questions.

There are a couple of things that I would say.

If we are going to be effective and efficient in this area, we need the best possible people to be filling the positions, whether it is your position or the positions that you oversee. And I think that you have a commitment to do that, and I appreciate that.

And we will work with you, all of you, to make sure that we have the best people to do it and empower you to be able to make those decisions.

I will tell you that there is a lot of work that can be done here to save a lot of money and be more effective.

I am the last person in the world that should be talking about technology, but the truth is that when I was in the State government we had fiascos with technology in Montana, where a lot of money was spent and we did not get one thing out of it. And that is not what we want to have here at the Federal level, and I know that you folks do not want that either because it makes your job much more difficult.

So I look forward to working with you and colleagues on this Committee and in the Senate to find solutions and give you the power you need to be able to do your job in a way that meets the needs of the agencies.

So, with that, the hearing record will be open until June 25 for any additional comments and questions that might be submitted for the record.

Once again, I thank the panelists for being here today, and this hearing is adjourned.

[Whereupon, at 5:04 p.m., the Subcommittee was adjourned.]

APPENDIX

TESTIMONY OF

Luke McCormack
Chief Information Officer
U.S. Department of Homeland Security

Before the
Senate Committee on Homeland Security and Governmental Affairs

Subcommittee on the Efficiency and Effectiveness of
Federal Programs and the Federal Workforce

June 10, 2014

Chairman Tester, Ranking Member Portman, and Members of the Subcommittee: Good afternoon, and thank you for the opportunity to speak to you about Information Technology (IT) at the Department of Homeland Security (DHS).

As the Chief Information Officer (CIO), I have oversight responsibility for more than 90 major IT programs across seven large operational components and Headquarters. I have more than 25 years of Federal IT experience, both within and outside of DHS, as well as private sector experience. I have served as DHS's CIO for fewer than six months, yet I can say with conviction that DHS has made great strides toward strong management of IT. This is critical to protecting our homeland and achieving our mission.

This is my first appearance before this committee. I appreciate this opportunity to discuss DHS's efforts to ensure effective delivery of IT programs to support DHS and the American public.

Today, I will describe what DHS is doing as an enterprise to support delivery of mission capabilities, and I will emphasize three areas in particular: how we govern IT infrastructure in DHS and across components; the efficiencies we can realize through appropriate and responsible enterprise-wide efforts; and the importance of recruiting, training, and retaining strong IT professionals.

Governing Our Infrastructure

Creating functional excellence requires every executive, manager, and employee in the Department to create an environment that rewards collaboration, promotes best practices, and shares accountability so that the Department can fulfill its mission. This concept of accountability mandates that both Component heads and key department functional experts are responsible for organizational excellence. In short, the Department and the IT community within it must work together.

In working with CIOs across the Department's Components to provide proper oversight, we have established a robust, tiered governance model that provides active oversight and ensures programs have the key executive stakeholders engaged to ensure alignment.

At the top of this governance structure is the Department's Acquisition Review Board (ARB), which has ultimate oversight over all large programs – those with a life cycle cost estimate of $300 million or more.

As CIO, I serve on the ARB, supporting the Acting Under Secretary for Management, who is also the Chief Acquisition Officer.

As an interim measure between ARBs for major acquisitions, the Department has created Executive Steering Committees (ESCs). ESCs are comprised of key executives who meet more regularly to ensure adequate oversight of major acquisitions. ESCs help to ensure programs stay or get back on the "right track," and are not going in "the wrong direction."

For IT programs, one of the most important processes to ensure we safeguard taxpayer dollars is our IT Acquisition Review, or ITAR. The ITAR process provides me with the opportunity to confirm that acquisitions comply with security, accessibility, and enterprise architecture requirements, as well as, align with DHS strategic direction on enterprise data centers, licenses, and services. One of the key elements of the ITAR process is that the DHS CIO approves every IT acquisition over $2.5M life cycle value. This is critical because it ensures that such high dollar expenditures comply with the Department's enterprise architecture, as well as our IT security standards.

A good example of how we have improved IT programs under this tiered governance model is how DHS successfully integrated the Acquisition Review Board (ARB), Executive Steering Committees (ESCs), Enterprise Architecture (EA), and the System Engineering Life Cycle (SELC) stage reviews into a defined, efficient governance process that is adaptable to the needs of each program. This has resulted in an improved program and project tracking and oversight.

Program performance is evaluated through a detailed review of program risk, human capital, cost and schedule, contract oversight, and requirements. These evaluation factors are based on OMB guidance. Since the implementation of the tiered governance model, approximately one third of DHS acquisition programs have improved from moderate to low risk, and half have improved from high to moderate risk, according to OMB performance assessment ratings.

In addition, we have established Centers of Excellence (COEs) in eight areas to support program management disciplines, including requirements engineering, cost analysis, and test and evaluation. The COEs work with programs to ensure they are using best practices in these disciplines and can provide guidance and even personnel and training materials to enable programs start and stay on track.

The COEs also support the TechStat process when we need to address a troubled program. TechStat Accountability Sessions allow the Department to review high risk IT projects, address systemic problems, and get programs back on track by addressing root causes and identifying when extra support is required. Based on the root causes that are documented, COEs provide support to programs to assist them in addressing their deficiencies, in areas such as requirements, configuration management, and accessibility.

Improving governance, making use of COEs, and addressing troubled programs in a consistent and timely manner ensure that we are good stewards of the tax payers' resources, both today and in the future, while we continuously meet our mission needs.

Strengthening Our Stewardship

As important as it is to achieve mission success, we must never lose sight of our fiscal responsibilities.

There remains potential for synergy across like functions. For instance, DHS Components perform standard business functions, such as human resources and finance. In addition, the

Components execute similar functions that support mission outcomes, such as screening, domain awareness, and incident response.

For efficiency and effectiveness, we are working to properly integrate, address duplication of effort, and streamline processes and systems through the use of the DHS Enterprise Architecture (EA), while leveraging existing governance structures.

In its most basic terms, the DHS EA is the roadmap for the implementation of business and technical models to drive improvement in the ways DHS meets its missions and carries out its business. We have divided DHS into 13 different functions that represent both the business (e.g., finance) and those that support the mission (e.g., screening, incident response). Looking at the Department from this perspective enables us to visualize areas that are natural opportunities for sharing and synergy across DHS.

To augment this work, we are in the process of establishing portfolio governance boards, in which senior executives from across DHS come together to drive decisions to affect better mission and business outcomes. For instance, significant work has been completed in the Information Sharing and Safeguarding portfolio. This function has a "segment" EA (a segment EA is specialized for use at the program or portfolio level) and a strong governance board (Information Sharing and Safeguarding Governance Board, or ISSGB) co-chaired by DHS's Under Secretary for Intelligence and Analysis and myself, as the CIO.

We are also achieving tremendous progress in integrating IT infrastructure across DHS, as well as establishing enterprise services and leveraging our size for purchasing power.

Last year, DHS completed a multi-year wide-area network consolidation to OneNet, which leverages the buying power of the Department for all network services. The consolidation of OneNet operations at Headquarters, combined with a management philosophy that increases transparency, works toward an economy of scale, and utilizes a cost recovery model, will result in average cost savings of 12 percent for operations and maintenance.

To enhance efficiencies, we have negotiated more than a dozen Enterprise License Agreements (ELAs) with major software and hardware vendors, resulting in more than $125 million in cost avoidance or direct savings per year. As of March 2014, this program participation saved the Department an estimated 36 percent off of the typical GSA licenses, for a cost avoidance of $509 million. These cost avoidances and savings are allowing the Department to more efficiently meet its needs and better utilize scarce funds for achieving the Department's mission.

In addition, we have consolidated 18 legacy data centers into our two state-of-the-art enterprise data centers. The data centers have become the foundation for the robust cloud services offerings by the Department, with 11 cloud service offerings in areas as diverse as e-mail, mobility, virtual desktops, and basic computing services. The DHS cloud computing business model will enable the Department to reduce IT capital expenditures, provide transparency into spending, and reduce the time-to-market for new capabilities.

Today, the Department is considered a leader in the Federal Government in leveraging cloud capabilities, focusing on eliminating duplication, and rationalizing the agency's information technology investments. Our commodity service offerings have the ability to drive significant integration along with cost savings. For e-mail, DHS has migrated over 136,000 users to our Email-as-a-Service cloud offering. DHS has capitalized on its size to demand efficiencies and has lowered the average email box cost per month from the benchmark industry standard of $24 per month to an average $7-$8 per month.

More recently, DHS has leveraged its cloud offerings to support the Digital Government Strategy, enhancing DHS's government-to-citizen services, enabling a mobile workforce, as well as reducing capital expenditures, and streamlining time-to-market for new services in Screening/Vetting, Benefits Administration, and Law Enforcement.

Managing Our Workforce

No matter how well we govern our programs, they are only as effective as our people. Attracting, training, and retaining quality DHS IT professionals are critically important to our long-term

success. Our workforce supports the Department's multiple missions to prevent terrorism and enhance security, secure and manage the nation's borders, and ensure resilience from disasters, amongst others.

Workforce planning at DHS is an inclusive process involving top management support with input from human resources, program management, budget, acquisition, and legal partners. It is the responsibility of every DHS Component to support and ensure that effective workforce plans are prepared, implemented with action plans, monitored, and evaluated.

Over the past few years, we have been developing and implementing the DHS IT Human Capital Strategy, an approach that outlines IT career paths and enables us to more formally address how new workers can progress along a technical or managerial career track. We are currently working to leverage DHS developmental, mentoring, and rotational programs into this strategy. Additionally, we are partnering with the Office of the Chief Human Capital Officer on how to better market ourselves as a Department, both for IT and cyber security professionals.

The Department continues to explore possibilities to collaborate on ways to create a community of high-performing IT professionals.

Conclusion

I appreciate your time and attention. I look forward to addressing your questions and concerns, as well as the opportunity to work with you, to ensure that DHS information technology remains strong, responsive, and secure.

TESTIMONY MR STEPHEN WARREN
EXECUTIVE IN CHARGE AND CHIEF INFORMATION OFFICER
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE HOMELAND SECURITY AND GOVERNMENT AFFAIRS
SUBCOMMITTEE FOR EFFICIENCY AND EFFECTIVENESS OF FEDERAL
PROGRAMS AND THE FEDERAL WORKFORCE (FPFW)
UNITED STATES SENATE

JUNE 10, 2014

Chairman Tester, Ranking member Portman, members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the Department of Affairs' (VA) Information Technology (IT) product development transformation. My testimony will address how over the past four years, VA has overhauled our IT product delivery rates to a highly successful, world-class system.

We continue to focus on our strategic goals to transform VA into an innovative, 21st century organization that is people-centric, results-driven, and forward-looking. In order to achieve these goals, VA must successfully deliver the IT products and services our employees need in order to best serve our Veterans.

We are proud of the work we have done to build an effective IT product delivery organization. Today, for the fourth year in a row, our on-time delivery rate for IT projects tops 80 percent. When projects did miss their on-time deliveries, we still managed to deliver 27.1 percent of them within one month of their initial due dates. And, regardless of date, we've consistently delivered 98 percent of our IT product commitments.

We achieved success, in large part, by embracing *incremental delivery* of IT projects. This means that every six months or fewer we deliver IT tools—software, hardware, enhancements to existing tools, etc.—into the hands of VA users. This methodology, called agile development, has helped us bring mission-critical tools to VA employees who serve our Veterans. It has also enabled our VA workforce to become more productive, better serve Veterans, and meet our agency priority goals. I'd like to

take the time allotted today to explain how we have managed to accomplish this and why it has worked for VA.

We weren't always good at product delivery. VA consolidated its disparate IT functions into a single, enterprise-wide IT organization in 2006. VA's IT organization is one of the largest in government. Soon after consolidation we realized we had a problem with delivery of IT projects. We did not have a culture of individual ownership of outcomes, schedule slips were common, and when we did deliver software and programs were frequently riddled with bugs.

We realized we needed to do something drastic so we stopped 45 major IT development projects to conduct a top-to-bottom review. In addition, we studied every one of our active IT projects – over 280 in all – and determined that fewer than 30 percent of the products we delivered to our customers were delivered on time. Most projects were months behind schedule, and many projects supplied no useable code.

As we dug into our review, we learned that the key factor in project success or failure was the passage of time. The longer the project duration, the more likely it was to fail. Even at six months, an average industry project only had a 55 percent chance of succeeding. Over time, requirements change, budgets change, acquisitions processes and rules change, infrastructure changes, employees come and go. These changes negatively impact the probability of successful delivery.

We proposed managing projects by constraining the allowable duration of a project and mitigating change risks with incremental deliveries. By using short, tight delivery timelines, we've tamed many of the delivery problems that plagued us in the past. Projects must produce a customer-facing deliverable every six months, and even shorter delivery timelines are encouraged. As long as the customer and the project manager understand that the delivery date must be met, the project can adapt to change in other areas—budget, people, requirements, etc.—and still deliver a customer-facing product on time.

As the Government Accountability Office (GAO) pointed out in a report in May of this year, VA successfully implemented incremental agile methodology. Using agile development at VA has resulted in better delivery rates, higher quality and more cost effective products, and increased customer involvement throughout the entire development cycle.

VA's success in revitalizing IT project delivery cannot be attributed to a single change, but instead a multi-faceted approach incorporating process, policy, and people, looped around the axle of accountability. Probably the most well-known of VA's efforts to improve project delivery was the implementation of our Project Management Accountability System, known as PMAS. PMAS is the disciplined approach VA employs to ensure the customer, project team, vendors, leadership, and all stakeholders focus on a single compelling mission: on-time delivery of IT capabilities. Time-bound commitments define PMAS.

PMAS helps us mitigate risk and ensure on-time performance through two key processes. First, we ensure readiness through go/no-go Milestone Reviews. A project manager and the end user must demonstrate to leadership and the end user that the project is going to be able to meet its delivery commitments before work can begin. Second, we bring in the highest level of VA leadership to help remove obstacles through what we call a "Red Flag" process. A PMAS business office manages the daily execution of PMAS and ensures projects are reporting their deliveries and adhering to policy.

Within PMAS, individual ownership of outcomes is a unique, two-step transaction which ensures high performance. Project managers are responsible for identifying any risk to on-time delivery and for raising flags to senior leadership for intervention of obstacles to on-time delivery. Senior leaders are responsible for providing risk resolution and identifying process improvements. Ultimately, it is a shared responsibility

by project manager, the end user and leadership to ensure products are delivered on schedule.

While the agile method suggests projects deliver capability in cycles of six months or less, PMAS mandates it. Moreover, VA has worked to deliver IT products even faster. Our projects now deliver on their commitments on an average of 4.2 months.

Although PMAS can be credited with a significant portion of our turnaround, it is not in and of itself something that can be recreated in any organization as a cure-all for IT project delivery. VA had to make other major changes to ensure the individual ownership of outcomes and success would stick. Chief among these changes was aligning our workforce to the agile policies we had set in place.

Ensuring we had the right staff on the right projects at the right time meant changing the way we manage our IT product development human resources, and we accomplished this by moving to a competency model in October 2010. In a competency model, competency-based teams are organized around key knowledge, skills, abilities, and behaviors. Competency model established teams of trained, ready resources organized around specific skill sets that can be utilized by IT projects spanning disciplines. VA IT processes requests and allocates resources to prioritized projects, and reassigns those same resources when available for the next project. Requests are made, tracked, and processed through basic governance functions. The rapid growth of requirements often outpaces allocation of resources, necessitating VA's change to this improved staffing flexibility.

Competency managers provide a people-centric equivalent to project managers: a supervisory chain dedicated to ensuring competency employees have the tools and training they need to perform successfully in the IT delivery organization. The competency model has allowed us to implement standard performance expectations and improved evaluation of individual performance and progress. This model enhances

opportunities for staff development and career planning, and increased knowledge sharing. Projects are positively impacted because the model allows more flexible staffing across new or different projects. Our staffing ability changes as the environment changes. We now better integrate workforce capabilities and organization needs.

Furthering the progress we've made in maturing our organization, instituting the process, policy, and people changes necessary to deliver, we've begun moving to the next stage of our organizational evolution: DevOps. DevOps is an industry-leading best practice in which product development and IT operations staff blend together to ensure constant communication and collaboration as new tools are developed and deployed. Devops enabes continuous delivery of IT functionality, which complements VA's incremental, agile development methodology. Agile techniques like test automation, continuous integration, and test driven development are key foundational elements necessary for VA's transition. Functionality and enhancements move into production in more frequent cycles, delivering usable benefits to customers while maintaining security and operational standards. DevOps allows us to integrate development and production disciplines where we develop and test in production-like systems and proactively monitor performance. This is already paying dividends, as we've seen improvements in our release capabilities by adopting repeatable, reliable, automated processes.

VA depends on successful IT delivery to help meet our goals of ending Veteran homelessness, ending the claims backlog, and increasing access to care and benefits. VA's first large product to deliver under PMAS was the Chapter 33 Long Term Solution (LTS) claims processing system, which reduced the average processing time for an original Post-9/11 GI Bill education claim from 30 days to 19 days. For the 2013 Homeless Point in Time (PIT) Count, VA developed an app for iPads and iPhones that saved data collected by volunteers and uploaded it to VA servers. This application, which helped VA better understand the size and makeup of the homeless Veteran population, was developed and deployed in just two weeks. MyHealtheVet celebrated its 10-year anniversary in November 2013. What started as an EHR pilot program with 7,000 users now has more than 2.5 million registered users actively participating in their

health care. The Blue Button feature of MyHealtheVet allows Veterans to access and download their health information into a simple text file or PDF that can be read, printed, or saved on any computer. As of November 2013, VA's Blue Button had more than 4.7 million downloads. Finally, our Veterans Benefits Management System, or VBMS, used agile methodologies to deliver 6 major and 19 minor releases last year.

In conclusion, our ultimate goal was to ensure our IT investments result in successful delivery of capabilities that serve Veterans. It wasn't an easy fix, and we continue to evolve and improve our methodologies as our environment continues to change. However, by focusing our organization's people, processes, and policy around accountability—especially accountability to schedule delivery—it has allowed us to reach and maintain that goal for several years.

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

STATEMENT OF
DONNA SEYMOUR
CHIEF INFORMATION OFFICER
U.S. OFFICE OF PERSONNEL MANAGEMENT

before the

SUBCOMMITTEE ON THE EFFICIENCY AND EFFECTIVENESS OF FEDERAL PROGRAMS AND THE FEDERAL WORKFORCE
COMMITTEE ON HOMELAND SECURITY & GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

on

"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"

June 10, 2014

Chairman Tester, Ranking Member Portman and Members of the Subcommittee:

Thank you for inviting me to participate in today's hearing to examine the state of Federal information technology (IT) projects and the Federal Information Technology workforce. I am happy to be here with you today.

As Chief Information Officer (CIO) for the Office of Personnel Management (OPM), I am responsible for the IT and innovative solutions that support OPM's mission to recruit, retain, and honor a world class workforce. Director Katherine Archuleta tasked me with conducting a thorough assessment of the state of IT at OPM – including how existing systems are managed and how new projects are developed. This process has led us to identify numerous opportunities for improvement in the way we manage IT. Director Archuleta's goal is to put OPM at the forefront of IT innovation in the Federal Government.

During her confirmation process, including consultations with members of the Senate Committee on Homeland Security and Governmental Affairs, Director Archuleta was made aware of opportunities for improvement in IT administration

at OPM and made IT among her top priorities. In her testimony, she stated her intent to develop a plan for modernizing the Agency's IT within 100 days of assuming office. Director Archuleta further committed to identifying new IT leadership, using existing agency expertise, and seeking advice from experts from inside Government and the private sector

Fulfilling the Director's promise, OPM released a Strategic IT Plan in March2014. We developed the Strategic IT Plan to ensure our IT supports and aligns to our agency's Strategic Plan and that OPM's mission is fulfilled. It provides a framework for the use of data throughout the human resources lifecycle and establishes enabling successful practices and initiatives that define OPM's IT modernization efforts The plan also creates a flexible and sustainable Chief Information Officer (CIO) organization led by a strong senior executive with Federal experience in information technology, program management, and HR policy. OPM also understands that new IT implementation will be done in a way that leverages cybersecurity best practices and protects the personally identifiable information OPM is responsible for.

Taking a lifecycle approach, we will adopt a HR IT framework as a concept for sharing information among the various existing IT solutions and future capabilities at OPM, at other agencies, and in industry. We will provide a set of standards that will span the HR lifecycle and support information exchange. This framework will drive government and industry in creating solutions and supporting processes that provide high-quality, modern IT services and capabilities to citizens, Federal employees, and agencies, in a way that also ensures information sharing. HR IT solutions, whether developed by government or industry, will be able to share information while they support business processes and decisions. Also, by following the Strategic IT Plan, OPM will be better positioned to identify efficiencies and save resources on future IT projects, thereby allowing those resources to be re-allocated to other critical agency needs, including other IT projects. This plan will also help OPM prioritize how it allocates its IT resources and will help maximize its IT investments through collaborative and inclusive governance and IT leadership.

Director Archuleta's Strategic IT Plan encompasses IT systems across the HR lifecycle from USAJOBS to retirement processing. We seek to simplify USAJOBS to ease the burden on applicants and build the most highly talented workforce. USAJOBS is stable, running well and easily handling high volumes of

job announcements. USAJOBS averages 22 million visits per month, with an average of 24 million visits this past March and April. On average, over 90 million searches are conducted per month. We will continue to monitor and analyze the system, and incrementally refine features like its search and navigation functions. In FY2015 we plan to upgrade USA Staffing to create a more consistent and user-friendly application experience for the public. Ease of application is critically important considering that USA Staffing is processing over 250,000 applications each week.

Director Archuleta is making modernizing the retirement system a top priority. As such, OPM will move forward with progressive IT improvements for near term results, including a new Case Management System. While much of the retirement process remains paper-based, OPM has begun a gradual transition to a fully digital process. We seek to ensure data availability and accuracy across the lifecycle for faster retirement processing, increased accuracy of annuity calculations, and a better customer experience. We believe that incremental, progressive IT improvement will reduce the complexity of the challenge to a more manageable level. As with all IT initiatives, smaller, incremental changes reduce risk and provide more near term results, but big changes take time, and we cannot lose sight of the fact that we must begin now to understand how our IT systems must support future upgrades. As an example of how we are looking to the future, we are working with one of the payroll shared service centers to pilot receipt of data electronically. This eliminates the need for payroll providers to send paper individual retirement records. Once we complete the pilot, we will be in a position to work with the other payroll shared service providers to eliminate paper individual retirement records completely. Additionally, we are building a means by which that electronic data can automatically be fed into our annuity calculator, eliminating the need for an annuity specialist to re-enter data by hand. This increases accuracy and allows our staff to provide better customer support.

The flagship initiative of Director Archuleta's Strategic IT Plan is enterprise information management. Providing technology at the enterprise level will allow us to reduce duplication and save on licensing fees. Equally importantly, the enterprise initiatives will help us work better across programs and improve service to our stakeholders, including job seekers and retirees. In accordance with the Open Data Policy (OMB Memorandum M-13-13), we are inventorying our data and determining what data can be publicly released. We are also conducting other inventories, including one of business processes throughout OPM. These inventories will help us better understand our technology, information, and process

landscape to both successfully implement these initiatives and also find new opportunities to take an enterprise approach to deploying technology, using information, and conducting our work. Taken together, these initiatives serve other agencies and entities by providing clear HR data standards for service providers to follow, thereby improving interoperability and leading to cost avoidance.

In alignment with OPM's mission we offer a range of HR services to other agencies, such as USAJOBS, the USA Staffing talent acquisition system, USA Hire's assessment services, and USALearning's education and training services. We also regularly use other service providers' offerings, for example, the General Services Administration's payroll service. The clearer the standards, the easier it is to securely exchange data with and among these systems.

OPM also has responsibilities in connection with the February 2014 "Suitability and Security Processes Review: Report to the President," which was generated following the tragic September 16, 2013 shooting at the Navy Yard facility. OPM, as Suitability Executive Agent, is working with other agencies to leverage technology to shift to the use of a Continuous Evaluation (CE) approach and to develop a government-wide IT strategy to implement the new CE model. OPM conducts more than two million investigative actions each year for over 100 Federal agencies representing 95 percent of all background investigations, and we continually work with our agency customers to ensure the efficiency and quality of our investigations.

OPM is playing a leading role in the effort to formalize Federal IT program management. OPM worked with the Office of Management and Budget (OMB) to add the title "IT Program Manager" to the Job Family Standard for Information Technology, and to develop IT Program Manager competencies and the "IT Program Management Career Path Guide." The Federal Acquisition Certification for program and project managers (FAC-P/PMs) builds upon this work and adds core-plus specialized certifications, the first one being in the area of IT. This development support's the Administration's Smarter IT Delivery Agenda. The Smarter IT Delivery Agenda aims to increase customer satisfaction with top Government digital services; decrease the percentage of Federal Government IT projects that are delayed or over-budget; and increase the speed with which we hire and deploy qualified talent to work on Government IT projects.

DRAFT

Statement of Donna Seymour
U.S. Office of Personnel Management

June 10, 2014

OPM also understands that agencies may need flexibilities to meet their IT hiring needs. OPM has partnered with the CIO Council to communicate the various hiring and pay authorities available to attract and hire the talent needed. Over the years, OPM has provided agencies with a number of expedited hiring authorities where suitable justification has been given. This includes government-wide Direct-Hire Authority for select cybersecurity professionals in the Information Technology Management series. OPM is working with agencies to cut down on the timeline of an average hire from the posting of a vacancy announcement to bringing employees on-board. OPM can also help agencies more effectively evaluate applicants against job requirements with USA Hire, OPM's applicant assessment and testing system.

An important aspect of cultivating the Federal IT workforce includes anticipating cyber workforce needs and ensuring that the Federal Government is prepared to meet those needs. Pursuant to the National Initiative for Cybersecurity Education, OPM supports the government-wide development of qualified Federal cyber personnel through workforce planning, recruitment, training and development, and other initiatives. This development is informed by routine data analysis that OPM conducts to assess the needs arising from the Federal cyber workforce, as well as agency progress toward meeting cyber workforce targets. In addition, OPM has launched the first-ever complete inventory of all cyber positions in the Federal Government, to be housed in our Enterprise Human Resources Information system. Agencies are currently working to populate this database with a designation code for all positions that conduct work related to cybersecurity. Through the Electronic Human Resources Integration (EHRI) data set, OPM and agencies will have clearer visibility on current and projected cyber workforce needs.

OPM's goal is to be at the forefront of IT innovation in the Federal Government. Director Archuleta is committed to reforming IT within OPM and utilizing OPM resources to improve IT across the Federal sector. We are excited about the release and implementation of our Strategic IT Plan and look forward to updating the committee of its progress. Furthermore, OPM continues to work with the CIO Council to provide guidance and training curriculum on Federal IT project management, and to educate agencies on their hiring flexibilities for critical IT positions.

Thank you for this opportunity to testify today and I am happy to address any questions you may have.

United States Government Accountability Office
Testimony
Before the Subcommittee on Efficiency and Effectiveness of Federal Programs and the Federal Workforce, Committee on Homeland Security and Governmental Affairs, U.S. Senate

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INFORMATION TECHNOLOGY

Reform Initiatives Can Help Improve Efficiency and Effectiveness

Statement of David A. Powner, Director
Information Technology Management Issues

GAO-14-671T

GAO Highlights

Highlights of GAO-14-671T, a testimony before the Subcommittee on Efficiency and Effectiveness of Federal Programs and the Federal Workforce, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The federal government reportedly plans to spend at least $82 billion on IT in fiscal year 2014. Given the scale of such planned outlays and the criticality of many of these systems to the health, economy, and security of the nation, it is important that OMB and federal agencies provide appropriate oversight and transparency into these programs and avoid duplicative investments, whenever possible, to ensure the most efficient use of resources.

GAO has previously reported and testified that federal IT projects too frequently fail and incur cost overruns and schedule slippages while contributing little to mission-related outcomes. Numerous best practices and administration initiatives are available for agencies that can help them improve the oversight and management of IT investments.

GAO is testifying today on the results and recommendations from selected reports that focused on how federal IT reform efforts could be improved by more effective IT acquisition and more efficient management of existing IT systems.

What GAO Recommends

GAO has previously made numerous recommendations to OMB and federal agencies on key aspects of IT management, including the IT Dashboard, incremental development approaches, and PortfolioStat implementation, including software license management.

View GAO-14-671T. For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

June 10, 2014

INFORMATION TECHNOLOGY

Reform Initiatives Can Help Improve Efficiency and Effectiveness

What GAO Found

GAO has issued a number of reports on the federal government's efforts to efficiently acquire and manage information technology (IT). While the Office of Management and Budget (OMB) and agencies have taken steps to improve federal IT through a number of initiatives, additional actions are needed. For example, OMB's IT Dashboard provides information, including ratings of risk, on 759 major investments at 27 federal agencies. As of June 2014, according to the Dashboard, 576 investments were low or moderately low risk, 147 were medium risk, and 36 were moderately high or high risk. GAO has issued a series of reports on Dashboard accuracy and identified issues with the accuracy and reliability of cost and schedule data. Furthermore, a recent GAO report found that agencies had removed major investments from the Dashboard, representing a troubling trend toward decreased transparency. GAO also reported that, as of December 2013, the public version of the Dashboard was not updated for 15 of the previous 24 months. GAO made recommendations to ensure that the Dashboard includes all major IT investments and to increase its availability. Agencies generally agreed with the report or had no comments.

An additional key reform initiated by OMB emphasizes incremental development in order to reduce investment risk. In 2010 it called for agency investments to deliver functionality every 12 months and since 2012 has required investments to deliver functionality every 6 months. However, GAO recently reported that almost three-quarters of investments reviewed did not plan to deliver capabilities every 6 months and less than half planned to deliver capabilities in 12-month cycles. GAO recommended that OMB develop and issue clearer guidance on incremental development and that selected agencies update and implement their associated policies. Most agencies agreed with GAO recommendations or had no comment. GAO continued to believe that its recommendations were valid.

To better manage existing IT systems, OMB launched the PortfolioStat initiative, which, among other things, requires agencies to conduct annual reviews of their IT portfolio and make decisions on eliminating duplication. GAO reported that agencies continued to identify duplicative spending as part of PortfolioStat and that this initiative had the potential to save at least $5.8 billion through fiscal year 2015, but that weaknesses existed in agencies' implementation of the initiative, such as limitations in the Chief Information Officer's authority. Among other things, GAO made several recommendations to improve agencies' implementation of PortfolioStat requirements. OMB partially agreed with GAO's recommendations and responses from 20 of the agencies varied.

GAO also recently reported on software license management—one PortfolioStat focus area—and determined that better management was needed to achieve significant savings government-wide. In particular, 22 of the 24 major federal agencies did not have comprehensive license policies. GAO recommended that OMB issue needed guidance to agencies and made more than 130 recommendations to the agencies to improve their policies and practices for managing licenses.OMB disagreed with the need for guidance. However, without it the management of agencies' licenses may be weakened. Most agencies generally agreed with the recommendations or had no comments.

Chairman Tester, Ranking Member Portman, and Members of the Subcommittee:

I am pleased to be here today to discuss how best practices and major information technology (IT) reform initiatives can help the federal government better acquire and manage IT investments. As reported to the Office of Management and Budget (OMB), federal agencies plan to spend at least $82 billion on IT in fiscal year 2014. Given the scale of such planned outlays and the criticality of many of these systems to the health, economy, and security of the nation, it is important that OMB and federal agencies provide appropriate oversight and transparency into these programs and avoid duplicative investments, whenever possible, to ensure the most efficient use of resources.

However, as we have previously reported and testified, federal IT projects too frequently fail and incur cost overruns and schedule slippages while contributing little to mission-related outcomes.[1] During the past several years, we have issued multiple reports and testimonies on best practices for major acquisitions and federal initiatives to acquire and improve the management of IT investments.[2] In those reports, we made numerous

[1]See, for example, GAO, *Information Technology: OMB and Agencies Need to More Effectively Implement Major Initiatives to Save Billions of Dollars*, GAO-13-796T (Washington, D.C.: July 25, 2013); *Secure Border Initiative: DHS Needs to Reconsider Its Proposed Investment in Key Technology Program*, GAO-10-340 (Washington, D.C.: May 5, 2010); and *Polar-Orbiting Environmental Satellites: With Costs Increasing and Data Continuity at Risk, Improvements Needed in Tri-agency Decision Making*, GAO-09-564 (Washington, D.C.: June 17, 2009).

[2]See, for example, GAO, *Federal Software Licenses: Better Management Needed to Achieve Significant Savings Government-Wide*, GAO-14-413 (Washington, D.C.: May 22, 2014); *Information Technology: Leveraging Best Practices to Help Ensure Successful Major Acquisitions*, GAO-14-183T (Washington, D.C.: Nov. 13, 2013); *Information Technology: Additional Executive Review Sessions Needed to Address Troubled Projects*, GAO-13-524 (Washington, D.C.: June 13, 2013); *Data Center Consolidation: Strengthened Oversight Needed to Achieve Billions of Dollars in Savings*, GAO-13-627T (Washington, D.C.: May 14, 2013); *Data Center Consolidation: Strengthened Oversight Needed to Achieve Cost Savings Goal*, GAO-13-378 (Washington, D.C.: Apr. 23, 2013); *Information Technology Dashboard: Opportunities Exist to Improve Transparency and Oversight of Investment Risk at Select Agencies*, GAO-13-98 (Washington, D.C.: Oct. 16, 2012); *Data Center Consolidation: Agencies Making Progress on Efforts, but Inventories and Plans Need to Be Completed*, GAO-12-742 (Washington, D.C.: July 19, 2012); *Information Technology: Critical Factors Underlying Successful Major Acquisitions*, GAO-12-7 (Washington, D.C.: Oct. 21, 2011); *Information Technology: Continued Attention Needed to Accurately Report Federal Spending and Improve Management*, GAO-11-831T (Washington, D.C.: July 14, 2011); and *Information Technology: Investment Oversight and Management Have Improved but Continued Attention Is Needed*, GAO-11-454T (Washington, D.C.: Mar. 17, 2011).

recommendations to federal agencies and OMB to further enhance the management and oversight of IT programs.

As discussed with subcommittee staff, I am testifying today on how federal IT reform efforts could be improved by more effective IT systems acquisition and more efficient management of existing IT systems. All work on which this testimony is based was performed in accordance with generally accepted government auditing standards or all sections of GAO's Quality Assurance Framework that were relevant to our objectives. Those standards and the framework require that we plan and perform our audits and engagements to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives; the framework also requires that we discuss any limitations in our work. We believe that the information, data, and evidence obtained and the analysis conducted provide a reasonable basis for our findings and conclusions based on our objectives. A more detailed discussion of the objectives, scope, and methodology of this work is included in each of the reports on which this testimony is based.[3]

Background

Information technology should enable government to better serve the American people. However, despite spending hundreds of billions on IT since 2000, the federal government has experienced failed IT projects and has achieved little of the productivity improvements that private industry has realized from IT. Too often, federal IT projects run over

[3]GAO-14-361; GAO-14-413; GAO, *Information Technology: Additional OMB and Agency Actions are Needed to Achieve Portfolio Savings*, GAO-14-65 (Washington, D.C.: Nov. 6, 2013); *IT Dashboard: Agencies are Managing Investment Risk, but Related Ratings Need to Be More Accurate and Available*, GAO-14-64 (Washington, D.C.: Dec. 12, 2014); GAO-13-524; GAO-13-378; GAO-13-98; GAO-12-742; *Information Technology Reform: Progress Made; More Needs to Be Done to Complete Actions and Measure Results*, GAO-12-461 (Washington, D.C.: Apr. 26, 2012); *IT Dashboard: Accuracy Has Improved, and Additional Efforts Are Under Way to Better Inform Decision Making*, GAO-12-210 (Washington, D.C.: Nov. 7, 2011); GAO-12-7; *Information Technology: OMB Needs to Improve Its Guidance on IT Investments*, GAO-11-826 (Washington, D.C.: Sept. 29, 2011); *Data Center Consolidation: Agencies Need to Complete Inventories and Plans to Achieve Expected Savings*, GAO-11-565 (Washington, D.C.: Jul. 19, 2011); *Information Technology: OMB Has Made Improvements to Its Dashboard, but Further Work Is Needed by Agencies and OMB to Ensure Data Accuracy*, GAO-11-262 (Washington, D.C.: Mar. 15, 2011); and *Information Technology: OMB's Dashboard has Increased Transparency and Oversight, but Improvements Needed*, GAO-10-701 (Washington, D.C.: July 16, 2010).

budget, behind schedule, or fail to deliver results. In combating this problem, proper oversight is critical.

Both OMB and federal agencies have key roles and responsibilities for overseeing IT investment management, and OMB is responsible for working with agencies to ensure investments are appropriately planned and justified. However, as we have described in numerous reports,[4] although a variety of best practices exist to guide their successful acquisition, federal IT projects too frequently incur cost overruns and schedule slippages while contributing little to mission-related outcomes.

Agencies have reported that poor-performing projects have often used a "big bang" approach—that is, projects that are broadly scoped and aim to deliver capability several years after initiation. For example, in 2009 the Defense Science Board reported that the Department of Defense's (Defense) acquisition process for IT systems was too long, ineffective, and did not accommodate the rapid evolution of IT.[5] The board reported that the average time to deliver an initial program capability for a major IT system acquisition at Defense was over 7 years.

Each year, OMB and federal agencies work together to determine how much the government plans to spend on IT projects and how these funds are to be allocated. As reported to OMB, federal agencies plan to spend more than $82 billion on IT investments in fiscal year 2014, which is the amount expended for not only acquiring such investments, but also the funding to operate and maintain them. Of the reported amount, 27 federal agencies[6] plan to spend about $75 billion: $17 billion on development and

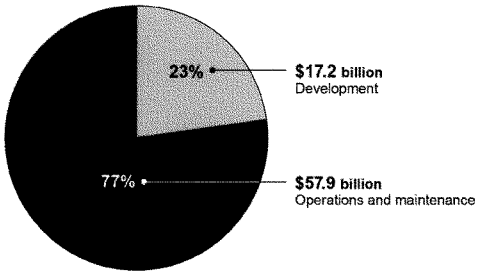
[4]See, for example, GAO, *FEMA: Action Needed to Improve Administration of the National Flood Insurance Program*, GAO-11-297 (Washington, D.C.: June 9, 2011); GAO-10-340; *Secure Border Initiative: DHS Needs to Address Testing and Performance Limitations That Place Key Technology Program at Risk*, GAO-10-158 (Washington, D.C.: Jan. 29, 2010); and GAO-09-564.

[5]Defense Science Board, *Report of the Defense Science Board Task Force on Department of Defense Policies and Procedures for the Acquisition of Information Technology* (Washington, D.C.: March 2009).

[6]The 27 agencies are the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs; U.S. Army Corps of Engineers, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Archives and Records Administration, National Science Foundation, Nuclear Regulatory Commission, Office of Personnel Management, Small Business Administration, Smithsonian Institution, Social Security Administration, and U.S. Agency for International Development.

acquisition and $58 billion on operations and maintenance (O&M).[7] Figure 1 shows the percentages of total planned spending for 2014 for the $75 billion spent on development and O&M.

Figure 1: Percentages of Planned IT Spending for Fiscal Year 2014



Source: GAO analysis of OMB data.

However, this $75 billion does not reflect the spending of the entire federal government. We have previously reported that OMB's figure understates the total amount spent in IT investments.[8] Specifically, it does not include IT investments by 58 independent executive branch agencies, including the Central Intelligence Agency or by the legislative or judicial branches. Further, agencies differed on what they considered an IT investment; for example, some have considered research and development systems as IT investments, while others have not. As a result, not all IT investments are included in the federal government's estimate of annual IT spending. OMB provided guidance to agencies on how to report on their IT investments, but this guidance did not ensure complete reporting or facilitate the identification of duplicative investments. Consequently, we recommended, among other things, that OMB improve its guidance to agencies on identifying and categorizing IT investments.

[7]According to the analytical perspectives associated with the President's fiscal year 2014 budget request, the remainder is comprised of classified Defense IT investments.

[8]GAO-11-826.

In September 2011, we reported that the results of OMB initiatives to identify potentially duplicative investments were mixed and that several federal agencies did not routinely assess their entire IT portfolios to identify and remove or consolidate duplicative systems.[9] In particular, we said that most of OMB's recent initiatives had not yet demonstrated results, and several agencies did not routinely assess legacy systems to determine if they were duplicative. As a result, we recommended that OMB require federal agencies to report the steps they take to ensure that their IT investments are not duplicative as part of their annual budget and IT investment submissions. OMB generally agreed with this recommendation and has since taken action to implement it. Specifically, in March 2012, OMB issued a memorandum to federal agencies regarding its PortfolioStat initiative, which is discussed in more detail in the following section.

Further, over the past several years, we have reported that overlap and fragmentation among government programs or activities could be harbingers of unnecessary duplication.[10] Thus, the reduction or elimination of duplication, overlap, or fragmentation could potentially save billions of tax dollars annually and help agencies provide more efficient and effective services.

OMB Has Launched Major Initiatives for Overseeing Investments

OMB has implemented a series of initiatives to improve the oversight of underperforming investments, more effectively manage IT, and address duplicative investments. These efforts include the following:

- *IT Dashboard.* Given the importance of transparency, oversight, and management of the government's IT investments, in June 2009, OMB established a public website, referred to as the IT Dashboard, that provides detailed information on 759 major IT investments at 27 federal agencies, including ratings of their performance against cost and schedule targets. The public dissemination of this information is intended to allow OMB; other oversight bodies, including Congress;

[9]GAO-11-826.

[10]GAO, *2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-13-279SP (Washington, D.C.: Apr. 9, 2013); *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012); and *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

and the general public to hold agencies accountable for results and performance. Among other things, agencies are to submit Chief Information Officer (CIO) ratings, which, according to OMB's instructions, should reflect the level of risk facing an investment on a scale from 1 (high risk) to 5 (low risk) relative to that investment's ability to accomplish its goals. Ultimately, CIO ratings are assigned colors for presentation on the Dashboard, according to the five-point rating scale, as illustrated in table 1.

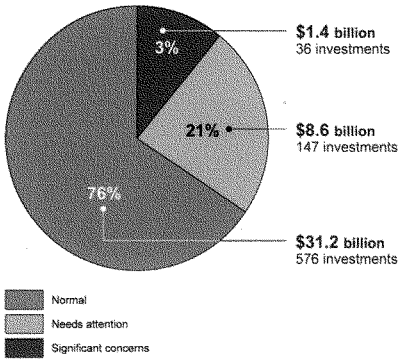
Table 1: IT Dashboard CIO Rating Colors, Based on a Five-Point Scale for CIO Ratings

Rating (by agency CIO)	Color
1-High risk	Red
2-Moderately high risk	Red
3-Medium risk	Yellow
4-Moderately low risk	Green
5-Low risk	Green

Source: OMB's IT Dashboard.

As of June 2014, according to the IT Dashboard, 183 of the federal government's 759 major IT investments—totaling $10 billion—were in need of management attention (rated "yellow" to indicate the need for attention or "red" to indicate significant concerns). (See fig. 2.)

Figure 2: Overall Performance Ratings of Major Investments on the IT Dashboard, as of June 2014



Source: OMB's IT Dashboard.

- *TechStat reviews.* In January 2010, the Federal CIO began leading TechStat sessions—face-to-face meetings to terminate or turnaround IT investments that are failing or are not producing results. These meetings involve OMB and agency leadership and are intended to increase accountability and transparency and improve performance. Subsequently, OMB empowered agency CIOs to hold their own TechStat sessions within their respective agencies. According to the former Federal CIO, the efforts of OMB and federal agencies to improve management and oversight of IT investments have resulted in almost $4 billion in savings.

- *Federal Data Center Consolidation Initiative.* Concerned about the growing number of federal data centers, in February 2010 the Federal CIO established the Federal Data Center Consolidation Initiative. This initiative's four high-level goals are to promote the use of "green IT"[11]

[11]"Green IT" refers to environmentally sound computing practices that can include a variety of efforts, such as using energy efficient data centers, purchasing computers that meet certain environmental standards, and recycling obsolete electronics.

by reducing the overall energy and real estate footprint of government data centers; reduce the cost of data center hardware, software, and operations; increase the overall IT security posture of the government; and shift IT investments to more efficient computing platforms and technologies. OMB believes that this initiative has the potential to provide about $3 billion in savings by the end of 2015.

- *IT Reform Plan.* In December 2010, OMB released its 25-point plan to reform federal IT.[12] This document established an ambitious plan for achieving operational efficiencies and effectively managing large-scale IT programs. In particular, as part of an effort to reduce the risk associated with IT acquisitions, the plan calls for federal IT programs to deploy capabilities or functionality in release cycles no longer than 12 months, and ideally, less than 6 months. The plan also identifies key actions that can help agencies implement this incremental development guidance, such as working with Congress to develop IT budget models that align with incremental development and issuing contracting guidance and templates to support incremental development.

- *PortfolioStat.* In order to eliminate duplication, move to shared services, and improve portfolio management processes, in March 2012, OMB launched the PortfolioStat initiative. Specifically, PortfolioStat requires agencies to conduct an annual agency-wide IT portfolio review to, among other things, reduce commodity IT[13] spending and demonstrate how their IT investments align with the agency's mission and business functions.[14] PortfolioStat is designed to assist agencies in assessing the current maturity of their IT investment management process, making decisions on eliminating duplicative investments, and moving to shared solutions in order to

[12]OMB, *25 Point Implementation Plan to Reform Federal Information Technology Management* (Washington, D.C.: Dec. 9, 2010).

[13]According to OMB, commodity IT includes services, such as enterprise IT systems (e-mail; identity and access management; IT security; web hosting, infrastructure, and content; and collaboration tools); IT infrastructure (desktop systems, mainframes and servers, mobile devices, and telecommunications); and business systems (financial management, grants-related federal financial assistance, grants-related transfer to state and local governments, and human resources management systems).

[14]OMB, *Implementing PortfolioStat,* Memorandum M-12-10 (Washington, D.C.: Mar. 30, 2012).

maximize the return on IT investments across the portfolio. OMB believes that the PortfolioStat effort has the potential to save the government $2.5 billion over the next 3 years by, for example, consolidating duplicative systems.

Opportunities Exist to Improve Acquisition and Management of IT Investments

Given the magnitude of the federal government's annual IT budget, which is expected to be more than $82 billion in fiscal year 2014, it is important that agencies leverage all available opportunities to ensure that their IT investments are acquired in the most effective manner possible. To do so, agencies can rely on IT acquisition best practices, incremental development, and initiatives such as OMB's IT Dashboard and OMB-mandated TechStat sessions. Additionally, agencies can save billions of dollars by continuing to consolidate federal data centers and by eliminating duplicative investments through OMB's PortfolioStat initiative.

Best Practices Are Intended to Help Ensure Successful Major Acquisitions

In 2011, we identified seven successful acquisitions and nine common factors critical to their success and noted that (1) the factors support OMB's objective of improving the management of large-scale IT acquisitions across the federal government and (2) wide dissemination of these factors could complement OMB's efforts.[15] Specifically, we reported that federal agency officials identified seven successful acquisitions, in that they best achieved their respective cost, schedule, scope, and performance goals.[16] Notably, all of these were smaller increments, phases, or releases of larger projects. The common factors critical to the success of three or more of the seven acquisitions are generally

[15]GAO-12-7.

[16]The seven investments were (1) Department of Commerce's Decennial Response Integration System, (2) Defense's Defense Global Combat Support System-Joint (Increment 7), (3) Department of Energy's Manufacturing Operations Management Project, (4) Department of Homeland Security's Western Hemisphere Travel Initiative, (5) Department of Transportation's Integrated Terminal Weather System, (6) Internal Revenue Service's Customer Account Data Engine 2, and (7) Veterans Affairs' Occupational Health Record-keeping System.

consistent with those developed by private industry and are identified in table 2.

Table 2: Common Critical Success Factors

Program officials were actively engaged with stakeholders.
Program staff had the necessary knowledge and skills.
Senior department and agency executives supported the programs.
End users and stakeholders were involved in the development of requirements.
End users participated in testing of system functionality prior to formal end user acceptance testing.
Government and contractor staff were consistent and stable.
Program staff prioritized requirements.
Program officials maintained regular communication with the prime contractor.
Programs received sufficient funding.

Source: GAO analysis of agency data.

These critical factors support OMB's objective of improving the management of large-scale IT acquisitions across the federal government; wide dissemination of these factors could complement OMB's efforts.

IT Dashboard Can Improve the Transparency into and Oversight of Major IT Investments

The IT Dashboard serves an important role in allowing OMB and other oversight bodies to hold agencies accountable for results and performance. However, we have issued a series of reports highlighting deficiencies with the accuracy and reliability of the data reported on the Dashboard.[17] For example, we reported in October 2012 that Defense had not rated any of its investments as either high or moderately high risk and that, in selected cases, these ratings did not appropriately reflect significant cost, schedule, and performance issues reported by us and others. We recommended that Defense ensure that its CIO ratings reflect available investment performance assessments and its risk management guidance. Defense concurred and has revised its process to address these concerns.

[17]GAO-14-64; GAO-13-98; GAO-12-210; GAO-11-262; and GAO-10-701.

Further, while we reported in 2011 that the accuracy of Dashboard cost and schedule data had improved over time,[18] more recently, in December 2013, we found that agencies had removed investments from the Dashboard by reclassifying their investments—representing a troubling trend toward decreased transparency and accountability.[19] Specifically, the Department of Energy reclassified several of its supercomputer investments from IT to facilities and the Department of Commerce decided to reclassify its satellite ground system investments. Additionally, as of December 2013, the public version of the Dashboard was not updated for 15 of the previous 24 months because OMB does not revise it as the President's budget request is being prepared.

We also found that, while agencies experienced several issues with reporting the risk of their investments, such as technical problems and delayed updates to the Dashboard, the CIO ratings were mostly or completely consistent with investment risk at seven of the eight selected agencies.[20] Additionally, the agencies had already addressed several of the discrepancies that we identified. The final agency, the Department of Veterans Affairs (VA), did not update 7 of its 10 selected investments because it elected to build, rather than buy, the ability to automatically update the Dashboard and has now resumed updating all investments. To their credit, agencies' continued attention to reporting the risk of their major IT investments supports the Dashboard's goal of providing transparency and oversight of federal IT investments.

Nevertheless, the rating issues that we identified with performance reporting and annual baselining,[21] some of which are now corrected, serve to highlight the need for agencies' continued attention to the timeliness and accuracy of submitted information in order to allow the Dashboard to continue to fulfill its stated purpose. We recommended that agencies appropriately categorize IT investments and that OMB make

[18]GAO-12-210.

[19]GAO-14-64.

[20]The eight agencies selected for the review were the Departments of Agriculture, Commerce, Energy, Justice, Transportation, the Treasury, and Veterans Affairs; and the Social Security Administration.

[21]At times, a project's cost, schedule, and performance goals—known as its baseline—are modified to reflect changed development circumstances. These changes—called a rebaseline—can be done for valid reasons, but can also be used to mask cost overruns and schedule delays.

Dashboard information available independent of the budget process. OMB neither agreed nor disagreed with these recommendations. Six agencies generally agreed with the report or had no comments and two others did not agree, believing their categorizations were appropriate. We continue to believe that our recommendations are valid.

Agencies Need to Establish and Implement Incremental Development Policies to Better Achieve Cost, Schedule, and Performance Goals for IT Investments

Incremental development can help agencies to effectively manage IT acquisitions and, as such, OMB has recently placed a renewed emphasis on it. In particular, in 2010 OMB called for IT investments to deliver functionality every 12 months, and since 2012 has required investments to deliver functionality every 6 months.

However, as discussed in our recent report, most selected agencies had not effectively established and implemented incremental development approaches.[22] Specifically, although all five agencies in our review—the Departments of Defense, Health and Human Services (HHS), Homeland Security (DHS), Transportation (Transportation), and VA—had established policies that address incremental development, the policies usually did not fully address three key components we identified for implementing OMB's guidance. Table 3 provides an assessment of each agency's policies against the three key components of an incremental development policy.

[22]GAO-14-361.

Table 3: Assessment of Selected Agencies' Incremental Development Policies

Component	Defense	HHS	DHS	Transportation	VA
Require delivery of functionality every 6 months	○	○	○	○	●
Define functionality	◐	○	○	○	●
Define a process for enforcing compliance	◐	◐	○	○	●

Key:

●=Fully met—the agency provided evidence that addressed the component.

◐=Partially met—the agency provided evidence that addressed about half or a large portion of the component.

○=Not met—the agency did not provide evidence that addressed the component or provided evidence that minimally addressed the component.

Source: GAO analysis of agency documentation.

Among other things, agencies cited the following reasons that contributed to these weaknesses: (1) OMB's guidance was not feasible because not all types of investments should deliver functionality in 6 months and (2) the guidance did not identify what agencies' policies are to include or time frames for completion. We agreed that these concerns have merit.

Additionally, the weaknesses in agency policies enabled inconsistent implementation of incremental development approaches. Specifically, almost three-quarters of the selected investments we reviewed did not plan to deliver functionality every 6 months and less than half planned to deliver functionality in 12-month cycles. Table 4 shows how many of the selected investments at each agency planned on delivering functionality every 6 and 12 months during fiscal years 2013 and 2014.

Table 4: Number of Selected Investments Planning to Incrementally Deliver Functionality

Agency	Total number of selected investments	Investments planning to deliver functionality every 6 months	Investments planning to deliver functionality every 12 months
Defense	37	1	11
HHS	14	9	11
DHS	12	2	6
Transportation	20	5	7
VA	6	6	6
Totals	**89**	**23**	**41**

Source: GAO analysis of agency documentation.

Considering agencies' concerns about delivering functionality every 6 months and given that so few are planning to deliver functionality in that time frame, our report noted that delivering functionality every 12 months, consistent with OMB's IT Reform Plan, would be an appropriate starting point and a substantial improvement. Until OMB issues realistic and clear guidance and agencies update their policies to reflect this guidance, agencies may not consistently adopt incremental development approaches, and IT expenditures will continue to produce disappointing results—including sizable cost overruns and schedule slippages and questionable progress in meeting mission goals and outcomes. We recommended that OMB develop and issue realistic and clear guidance on incremental development, and that Defense, HHS, DHS, and Transportation update and implement their incremental development policies, once OMB's guidance is made available. OMB stated that it agreed with our recommendation to update and issue incremental development guidance, but did not agree that its current guidance is not realistic. However, slightly more than one-fourth of selected investments planned to deliver functionality every 6 months—and less than one-half planned to do so every 12 months. Additionally, there were three types of investments for which it may not always be practical or necessary to expect functionality to be delivered in 6-month cycles. Thus, we continued to believe that delivering functionality every 6 months is not an appropriate requirement for all agencies and that requiring the delivery of functionality every 12 months, consistent with OMB's IT Reform Plan, is a more appropriate starting point. We therefore maintained that OMB should require projects associated with major IT investments to deliver functionality at least every 12 months.

Four agencies—Defense, HHS, DHS, VA—generally agreed with the report or had no comments and one agency—Transportation—did not agree that its recommendation should be dependent on OMB first taking action. Specifically, the department explained that relying on another agency to concur with one of our recommendations before Transportation can take action leaves the department with the potential challenge of a recommendation that cannot be implemented. However, as previously stated, OMB agreed with our recommendation to update and issue incremental guidance, meaning that OMB committed to taking the actions necessary to enable Transportation to begin addressing our recommendation. Accordingly, we continued to believe that our recommendations were warranted and can be implemented.

TechStat Reviews Can Help Highlight and Evaluate Poorly Performing Investments

TechStat reviews were initiated by OMB to enable the federal government to turnaround, halt, or terminate IT projects that are failing or are not producing results. In 2013, we reported that OMB and selected agencies had held multiple TechStats, but that additional OMB oversight was needed to ensure that these meetings were having the appropriate impact on underperforming projects and that resulting cost savings were valid.[23] Specifically, we determined that, as of April 2013, OMB reported conducting 79 TechStats, which focused on 55 investments at 23 federal agencies. Further, four selected agencies—the Departments of Agriculture, Commerce, HHS, and DHS—conducted 37 TechStats covering 28 investments. About 70 percent of the OMB-led and 76 percent of agency-led TechStats on major investments were considered medium to high risk at the time of the TechStat.

However, the number of at-risk TechStats held was relatively small compared to the current number of medium- and high-risk major IT investments. Specifically, the OMB-led TechStats represented roughly 18.5 percent of the investments across the government that had a medium- or high-risk CIO rating. For the four selected agencies, the number of TechStats represented about 33 percent of the investments that have a medium- or high-risk CIO rating. We concluded that, until OMB and agencies develop plans to address these weaknesses, the investments would likely remain at risk.

In addition, we reported that OMB and selected agencies had tracked and reported positive results from TechStats, with most resulting in improved governance. Agencies also reported projects with accelerated delivery, reduced scope, or termination. We also found that OMB reported in 2011 that federal agencies achieved almost $4 billion in life-cycle cost savings as a result of TechStat sessions. However, we were unable to validate OMB's reported results because OMB did not provide artifacts showing that it ensured the results were valid. Among other things, we recommended that OMB require agencies to report on how they validated the outcomes. OMB generally agreed with this recommendation.

[23]GAO-13-524.

Continued Oversight Needed to Consolidate Federal Data Centers and Achieve Cost Savings

In an effort to consolidate the growing number of federal data centers, in 2010, OMB launched a consolidation initiative intended to close 40 percent of government data centers by 2015, and, in doing so, save $3 billion. Since 2011, we have issued a series of reports on the efforts of agencies to consolidate their data centers.[24] For example, in July 2011 and July 2012, we reported that agencies had developed plans to consolidate data centers; however, these plans were incomplete and did not include best practices.[25] In addition, although we reported that agencies had made progress on their data center closures, OMB had not determined initiative-wide cost savings, and oversight of the initiative was not being performed in all key areas. Among other things, we recommended that OMB track and report on key performance measures, such as cost savings to date, and improve the execution of important oversight responsibilities. We also recommended that agencies complete inventories and plans. OMB agreed with these two recommendations, and most agencies agreed with our recommendations to them.

Additionally, as part of ongoing follow-up work, we have determined that while agencies had closed data centers, the number of federal data centers was significantly higher than previously estimated by OMB. Specifically, as of May 2013, agencies had reported closing 484 data centers by the end of April 2013 and were planning to close an additional 571 data centers—for a total of 1,055—by September 2014. However, as of July 2013, 22 of the 24 agencies participating in the initiative had collectively reported 6,836 data centers in their inventories—approximately 3,700 data centers more than OMB's previous estimate from December 2011. This dramatic increase in the count of data centers highlights the need for continued oversight of agencies' consolidation efforts.

We have ongoing work looking at OMB's data center consolidation initiative, including evaluating the extent to which agencies have achieved planned cost savings through their consolidation efforts, identifying agencies' notable consolidation successes and challenges in achieving

[24]GAO-13-378; GAO-12-742; and GAO-11-565.

[25]GAO-12-742 and GAO-11-565.

cost savings, and evaluating the extent to which data center optimization metrics have been established.

Agencies' PortfolioStat Efforts Have the Potential to Save Billions of Dollars

OMB launched the PortfolioStat initiative in March 2012, which required 26 executive agencies[26] to, among other things, reduce commodity IT spending and demonstrate how their IT investments align with the agencies' mission and business functions.[27] In March 2013, OMB issued a memorandum commencing the second iteration of its PortfolioStat initiative and strengthening IT portfolio management.[28]

In November 2013, we reported on agencies' efforts to complete key required PortfolioStat actions and make portfolio improvements.[29] We noted that all 26 agencies that were required to implement the PortfolioStat initiative took actions to address OMB's requirements. However, there were shortcomings in their implementation of selected requirements, such as addressing all required elements of an action plan to consolidate commodity IT and migrating two commodity areas to a shared service by the end of 2012. Further, we found that several agencies had weaknesses in selected areas, such as the CIO's authority to review and approve the entire portfolio. While OMB had issued guidance and required agencies to report on actions taken to implement CIO authorities, it was not sufficient to address the issue. For example, although HHS reported having a formal memo in place outlining the CIO's authority and ability to review the entire IT portfolio, it also noted that the CIO had limited influence and ability to recommend changes to it. Similarly, the Office of Personnel Management reported that the CIO advises the Director, who approves the IT portfolio, but this role was not explicitly defined. As a result of OMB's insufficient guidance, agencies were hindered in addressing certain responsibilities set out in the Clinger-

[26]Of the 27 previously mentioned agencies, 1 agency—the Smithsonian Institution—is not required to participate in the PortfolioStat initiative.

[27]OMB, *Implementing PortfolioStat*, Memorandum M-12-10 (Washington, D.C.: Mar. 30, 2012).

[28]OMB, *Memorandum for the Heads of Executive Departments and Agencies: Fiscal Year 2013 PortfolioStat Guidance: Strengthening Federal IT Portfolio Management*, M-13-09 (Washington, D.C.: Mar. 27, 2013).

[29]GAO-14-65.

Cohen Act of 1996,[30] which established the position of CIO to advise and assist agency heads in managing IT investments.

We also observed that OMB's estimate of about 100 consolidation opportunities and a potential $2.5 billion in savings from the PortfolioStat initiative was understated because, among other things, it did not include estimates from Defense and the Department of Justice. Our analysis, which included these estimates, showed that collectively the 26 agencies reported about 200 opportunities and at least $5.8 billion in potential savings through fiscal year 2015—at least $3.3 billion more than the number initially reported by OMB.

We made more than 50 recommendations to improve agencies' implementation of PortfolioStat requirements. We also recommended that OMB require agencies to fully disclose limitations with respect to CIO authority. OMB partially agreed with our recommendations, and responses from 20 of the agencies commenting on the report varied.[31]

Last month, we also reported on OMB's and agencies' policies and management of software licenses—one PortfolioStat focus area.[32] We found that OMB's PortfolioStat policy did not guide agencies in developing comprehensive license management policies, and of the 24 major federal agencies, 2 had comprehensive policies for managing enterprise software license agreements; 18 had them but they were not comprehensive; and 4 had not developed any. The weaknesses in agencies' policies were due, in part, to the lack of a priority for establishing software license management practices—such as whether agencies' employed a centralized approach to software license management and established a comprehensive inventory of the software licenses—and a lack of direction from OMB. Table 5 lists the leading practices and the number of agencies that had fully, partially, or not implemented them.

[30]See 40 U.S.C. § 11101, et seq.

[31]Of the 20 agencies commenting on the report, 12 agreed with our recommendations directed to them, 4 disagreed or partially disagreed with our recommendations directed to them, and 4 provided additional clarifying information.

[32]GAO-14-413.

Table 5: 24 Major Agencies' Implementation of Software License Management Leading Practices

Leading practice	Fully implemented	Partially implemented	Not implemented
Centralized management	4	15	5
Established software license inventory	2	20	2
Tracking and maintain inventory	0	20	4
Analyzing software license data	0	15	9
Providing sufficient training	0	5	19

Source: GAO analysis of agency data.

Additionally, the inadequate implementation of leading practices in software license management, such as centralized management and a comprehensive inventory, was partially due to weaknesses in agencies' policies. As a result, we noted that agencies' oversight of software license spending was limited or lacking, and they may miss out on savings. The potential savings could be significant considering that, in fiscal year 2012, DHS reported saving approximately $181 million by consolidating its enterprise license agreements.

We also stated that agencies lacked comprehensive software license inventories that were regularly tracked and maintained. Of the 24 agencies, 2 had a comprehensive inventory of software licenses; 20 had some form of an inventory; and 2 did not have any inventory of their software licenses purchased. We recommended that OMB issue a directive to help guide agencies in managing licenses and made more than 130 recommendations to the 24 agencies to improve their policies and practices for managing licenses. OMB disagreed with the need for a directive. However, until this gap in guidance is addressed, agencies will likely continue to lack the visibility into what needs to be managed, and be unable to take full advantage of OMB's tools to drive license efficiency and utilization. Most agencies generally agreed with the recommendations or had no comments.

We have ongoing work looking at the second iteration of OMB's PortfolioStat initiative, including identifying action items and associated time frames from joint OMB-agency PortfolioStat meetings, determining agencies' progress in addressing these action items, and evaluating the extent to which agencies have realized planned savings.

In summary, OMB's and agencies' recent efforts have resulted in greater transparency and oversight of federal spending, but continued leadership and attention are necessary to build on the progress that has been made. The expanded use of the common factors critical to the successful management of large-scale IT acquisitions should result in more effective delivery of mission-critical systems. Additionally, federal agencies need to continue to improve the accuracy and availability of information on the Dashboard to provide greater transparency and even more attention to the billions of dollars invested in troubled projects. Further, agencies need to implement incremental development approaches in order to increase the likelihood that major IT investments meet their cost, schedule, and performance goals. Additionally, agencies should conduct additional TechStat reviews to focus management attention on troubled projects and establish clear action items to turn the projects around or terminate them.

The federal government can also build on the progress of agencies' data center closures and eliminating duplicative IT investments. With the possibility of over $5.8 billion in savings from the data center consolidation and PortfolioStat initiatives, agencies should continue to identify consolidation opportunities in both data centers and commodity IT. In addition, better support for the estimates of cost savings associated with the opportunities identified would increase the likelihood that these savings will be achieved. Finally, until OMB and the agencies focus on improving policies and processes governing software licenses, they will likely miss opportunities to reduce costs.

Chairman Tester, Ranking Member Portman, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

GAO Contact and Staff Acknowledgments

If you or your staffs have any questions about this testimony, please contact me at (202) 512-9286 or at pownerd@gao.gov. Individuals who made key contributions to this testimony are Dave Hinchman (Assistant Director), Rebecca Eyler, and Kevin Walsh.

STATEMENT BY

MR. CHRISTOPHER A. MILLER

PROGRAM EXECUTIVE OFFICER

DOD HEALTHCARE MANAGEMENT SYSTEMS

BEFORE THE

SENATE HOMELAND SECURITY AND GOVERNMENT AFFAIRS COMMITTEE

SUBCOMMITTEE ON THE EFFICIENCY AND EFFECTIVENESS OF FEDERAL

PROGRAMS AND THE FEDERAL WORKFORCE

June 10, 2014

Chairman Tester and Ranking Member Portman, thank you for the opportunity to address the Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce of the Senate Homeland Security and Governmental Affairs Committee. I am honored to represent the Department of Defense (DoD) as the senior official responsible for the Department's efforts to modernize our electronic health records (EHR) and to make them more interoperable with those of the Department of Veterans Affairs (VA) and private sector providers. I also have the privilege of representing the DoD/VA Interagency Program Office (IPO) as the current Acting Director.

Providing high quality health care for current Service members, their families, and our Veterans is among our nation's highest priorities. The Departments of Defense and Veterans Affairs are also committed to ensuring continuity of care as Service members transition to Veteran status as outlined in the President's vision in 2009. Enabling health information exchange between EHR systems in the DoD, VA, and private sector will serve as the foundation for a patient-centric health care experience, seamless care transitions, and improved care delivery.

Our two Departments already have a significant amount of data interoperability. DoD and VA clinicians can currently view records on the 5.3 million shared patients receiving care from both Departments through our existing software applications. This data is available on-demand to front-line clinicians in both Departments. VA and DoD providers generate data queries through our current systems nearly a quarter of a million times per week. But as you are aware, both Departments are committed to further improvements.

In 2013, our two Departments jointly implemented a set of interoperability accelerators to transform substantial amounts of read-only data into bidirectional data. We mapped and standardized data for seven key clinical domains, including allergies and immunizations, using the same national standards used by private sector systems. We also deployed a joint viewer, Janus JLV, to 9 pilot sites, which provides an integrated view of VA and DoD clinical information. The joint viewer has some potential advantages over existing software applications and is an important next step in our journey to fully-seamless interoperability.

The IPO was established in 2009 to lead EHR efforts between DoD and VA to improve the quality of healthcare, improve clinical and patient experiences, and increase interoperability among the Departments and the private sector. The IPO is jointly-staffed and jointly-funded with collaborative DoD and VA leadership and management. As the Departments' EHR missions have matured, the IPO was rechartered in December 2013 to lead the Departments' efforts to implement national health data standards and establish technical standards to increase health data interoperability. Subsequently the IPO is working with the Office of the National Coordinator for Health Information Technology to set national data standards for the future of interoperability nationwide.

BACKGROUND

As you are aware, in 2009, the Departments were called upon by the President to, "work together to define and build a seamless system of integration so that when a member of the

Armed Forces separates from the military, he or she will no longer have to walk paperwork from a DoD duty station to a local VA health center. Their electronic records will transition along with them and remain with them forever."

To that end, the Departments are pursuing complementary paths to modernize their respective EHRs. Specifically, the Departments' goals are:

1. Provide seamless, integrated sharing of standardized health data among DoD, VA, and private sector providers; and
2. Modernize the Electronic Health Record (EHR) software and systems supporting DoD and VA clinicians.

DOD/VA COLLABORATION

DoD and VA have a long-standing and closely collaborating interagency relationship. Joint activities are advised by the Joint Executive Committee (JEC) in accordance with the statutory requirements of Title 38. This committee is co-chaired by the Under Secretary of Defense for Personnel and Readiness and the Deputy Secretary of Veterans Affairs, and meets regularly to exercise oversight and provide guidance. Results of JEC oversight of sub-committees and working groups include establishment of a joint DoD/VA Care Coordination Task Force; a joint DoD/VA plan to address current and future environmental exposures, such as occurred with the Camp Lejeune contaminated water supply; and establishment of the governance structure for electronic health record interoperability. We have been able to simplify and make more seamless the transition from DoD to VA healthcare systems. And a plan and capability to track exposures provides a proactive capability to identify and provide medical care for Veterans and family members in the event of a toxic environmental exposure. Initiatives and processes such as these help us realize the DoD and VA shared vision, as published in the VA/DoD Joint Strategic Plan for Fiscal Year 2013 – 2015, to "provide a single system experience of lifetime service."

In addition to interoperability efforts, another example of collaboration is DoD's support to the VA to help eliminate their backlog of Veteran disability benefit claims. In response to a request by the Secretary of Veterans Affairs, DoD has placed a team of military personnel at VA to act as liaison officers to assist with efforts to eliminate the current backlog and to identify process refinements to preclude a future backlog from occurring. DoD also developed a concept to leverage the Health Artifact and Image Management Solution (HAIMS) application as an electronic repository of Service Treatment Records. Beginning January 1, 2014, DoD uploads Service Treatment records into HAIMS for Service members separating from the military. Using a system interface from the Veterans Benefits Management System (VBMS), VA claims processors can retrieve STRs that have been uploaded in order to process Veterans disability benefits claims. Claims processors have immediate access to more accurate record information, and for all records beginning January 1, 2014, the Government will not have to bear the cost to transfer and store paper records.

The JEC met in an Executive Session in December 2013 to reach consensus on exercise of governance over the DoD/VA Interagency Program Office (IPO) to help achieve that vision with sharing of electronic health record information.

IPO WAY FORWARD AS A CLINICAL AND DATA STANDARDIZATION LEADER

On December 20, 2013, the IPO delivered its Fiscal Year (FY) 2013 Annual Report to the appropriate congressional committees and outlined its new strategy. The timeliness of the report demonstrates the Departments' commitment to Congress to maximize transparency in achieving their stated goals: seamless integration of data and modernization of EHR systems.

In December 2013 the Departments also signed a new charter for the IPO in order to align with the Departments' parallel strategies. IPO is responsible for establishing, monitoring, and approving the clinical and technical standards profile and processes to create seamless, integration of health data across the VA and DoD and with private sector providers. Under its new structure, IPO will support the Departments' and Office of the National Coordinator's (ONC) endeavors to adopt national standards, specifications, and certification criteria to improve health IT and its application.

By adopting the same national standards, the DoD, VA, and private sector providers can fluidly exchange data easily understand and use information they receive for clinical decision making.

Additionally, the IPO is expected to finalize its Health Data Interoperability Management Plan (H-DIMP) in July 2014 to provide a governance structure for IPO efforts made toward interoperability and standards setting.

PROVIDE SEAMLESS INTEGRATED SHARING OF STANDARDIZED HEALTH DATA AMONG DOD, VA, AND PRIVATE SECTOR PROVIDERS

DoD and VA currently lead the healthcare industry in sharing health data. However, both Departments remain committed to further improvements. The Departments have been working together to move forward from read-only data shared through the Federal Health Information Exchange (FHIE) and Bi-Directional Health Information Exchange (BHIE) applications, to enhanced interoperability that provides data that is more integrated into the clinical workflow.

These efforts will continue to expand the level of interoperability among DoD, VA, and private sector providers.

For FY14 the Departments have committed to additional enhancements, including expanding JLV access from 500 to 3,500 users by the end of FY14 to improve clinicians' ability to examine DoD or VA patient records. Consistent with standard best practices, as we learn more about our providers' and patients' needs, we will build up scalability to meet additional demand in the smartest, highest impact, and lowest cost way possible.

By September 2014, we will normalize eight additional data domains to national standards. By December 2015, DoD and VA will finalize our standard health data mapping for the most frequently used information and expand access to an integrated viewer for all users who require it. We are looking at targeted opportunities to further accelerate the deployment of these capabilities.

MODERNIZE THE ELECTRONIC HEALTH RECORD (EHR) SOFTWARE AND SYSTEMS SUPPORTING DOD AND VA CLINICIANS.

In February 2013, VA assessed its EHR needs and determined that its best course of action would be to evolve its legacy EHR system, VistA to serve VA's modernization goal. The decision to proceed with this system update (known as VistA Evolution) included such factors as VistA's large installed base, trained workforce, and in-house development and support capacity. In May 2013, Secretary Hagel announced the decision to pursue a full and open competition to modernize DoD's EHR systems to provide state-of-the-art capabilities to our clinicians and the best services to our soldiers, sailors, airmen, and Marines. DoD established the DoD Healthcare Management Systems Modernization (DHMSM) program to lead a competitive acquisition process that considers commercial solutions which will offer reduced costs, schedule, and technical risk, as well as providing access to increased current and future capability by leveraging advances in the commercial marketplace. The end result of the program will be a system that fundamentally and positively impacts the health outcomes of active duty military, veterans, and beneficiaries, enhances our military readiness, and helps advance healthcare interoperability nationwide.

The DHMSM acquisition will require the use of the same open, national standards being deployed by systems certified for use in the meaningful use EHR incentives program. Over half of the nation's eligible providers and more than 8 out of 10 hospitals have adopted electronic records through this initiative. Use of the same capabilities and standards will enable interoperability between the VA and DoD as well as with private sector providers—which is especially critical since over 50 percent of health care for VA and DoD beneficiaries is provided in the private sector.

The DHMSM program is pursuing an aggressive, yet feasible schedule. Since October 2013, the program has conducted three well-attended and highly anticipated Industry Days and released two of three planned draft Requests for Proposal (RFPs) on January 29, 2014 and March 28, 2014. The final RFP release is expected no later than the fourth quarter of FY2014. Additionally, DHMSM representatives have met with the Children's Hospital of Wisconsin, Inova, Intermountain Healthcare, Kaiser Permanente, Presence Health, and Vanderbilt Health to open dialogue regarding acquisition, development, and sustainment of their EHR systems. These conversations with Healthcare and other health IT industry leaders provide valuable insight and lessons learned that will improve our acquisition strategy.

PERFORMANCE AND ACCOUNTABILITY

Since 2011, DoD have been involved in nearly one dozen GAO engagements relating to EHR modernization and interoperability. Each engagement has highlighted different points of interest in the program and have been met with the utmost dedication by the Department. At the conclusion of some of these inquiries, GAO has issued recommendations to bolster cost and schedule analyses with respect to modernization and interoperability efforts. DoD has taken swift action on each of the recommendations.

DoD is currently developing formal life cycle cost estimates (LCCE) and schedule estimates for the health data sharing and interoperability effort as well as the DHMSM EHR

modernization program. DoD has developed initial rough order of magnitude (ROM) cost estimates to inform future budget submissions. A review of the ROM cost estimates against the August 2012 IPO LCCE indicates that the current approach will be more cost effective for DoD: an initial Cost Assessment and Program Evaluation (CAPE) study found that the DoD approach could save between $2.1 - $5.8 billion compared to the previous approach. As part of DoD's ongoing acquisition program rigor, these cost and schedule estimates are being refined for RFP release and will be further updated prior to contract award. Additionally, a CAPE Independent Cost Estimate will be developed to support contract award.

Senators of the committee, since 2011, with the IPO has met with Congressional committees regarding EHR modernization and interoperability on quarterly basis and delivered interoperability programs plans this January. Further, IPO delivered its FY2013 Annual Report ahead of schedule and has met the first six of the NDAA's requirements and are on track to meet the remainder throughout the year. IPO, DoD, and VA have also engaged with GAO concerning the modernization of our EHRs.

I look forward to today's discussion, as well as the continued exchange of ideas with you regarding EHR systems throughout our acquisition and interoperability efforts. Again, thank you for this opportunity, and I look forward to your questions.

Post-Hearing Questions for the Record
Submitted to Luke J. McCormack
From Senator Jon Tester

"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"

June 10, 2014

1. As vice-chair of the CIO Council, out of which agency or agencies have you seen the most applicable management of best practices?

   Response: I was elected to serve as the Vice-Chairperson of the Federal CIO Council in January 2014, less than a month after becoming the DHS CIO. In this brief time, I have seen the hardworking and dedicated agency CIOs leading their organizations by employing best practices as they tackle the challenges of securing their networks, modernizing IT operations, moving to cloud and mobile services, developing their workforce, and improving services, while also being mindful of budget constraints. The IT field is one of unprecedented and rapid change, both in new technologies, and new risks to manage. The Federal CIO Council provides a forum for all participating agencies to collectively exchange information on lessons learned and best practices to implement innovative and cost-effective technologies and processes for moving toward a more efficient and effective government.

   What are some of the largest challenges that you see across agencies for CIOs?

   Response: The fiscal environment has put pressure on all IT organizations. While budgets are decreasing, there are evolving and increasing expectations from mission customers and external stakeholders, particularly as they see ever-advancing consumer capabilities in their personal use of technology. Additionally, managing large IT programs requires specialized skills and understanding of the customer's mission – IT requirements, architecture, security issues, etc. – all of which must be seamlessly integrated. Attracting and retaining the right skilled workforce is critical. Budget cuts and hiring freezes, coupled with increased workload and a slow-moving, somewhat outdated hiring process, makes it difficult to recruit competitively.
   Consolidation and strategic sourcing, while creating efficiencies, become challenging with the various mission spaces that have enlisted a wide range of IT solutions that are difficult to standardize and leverage. In addition, the flexibility and speed required to implement IT best practices, such as Agile methodologies, is languishing in the procurement and finance models in place in the Federal government today. Traditional timelines for budgeting and procurements need to evolve to meet the needs of today's business customers.

Moreover, how has the CIO Council's reorganization in August 2013 affected the overall mission of the Council? Have efficiencies within the Council been improved by the reorganization?

Response: The overall mission of the Federal CIO Council remains the same: be the principal interagency forum to improve agency practices for the management of information technology. The Federal CIO Council August 9, 2013 reorganization brought clarity and efficiency.

2. Do you see the Department's Acquisition Review Board (ARB) as an applicable model for other agencies handling large-scale acquisitions? Additionally, can you list specific examples where Centers of Excellence (COEs) have lowered program costs or where COEs have recommended a project be scrapped?

   Response: Yes, the Department's Acquisition Review Board with a working-level Acquisition Review Team and tiered governance structure is an effective model for other agencies handling large-scale acquisitions. The working-level Acquisition Review Team provides the program expert assistance from planning through program execution along with helping the program prepare for milestone reviews with the Acquisition Review Board. The Acquisition Review Board reviews major acquisition programs at key milestones in the acquisition lifecycle, called Acquisition Decision Events, to ensure sufficient planning has been completed prior to granting approval for an acquisition to move to the next phase of the lifecycle, and to ensure acquisitions meet cost, schedule and performance goals/milestones.

   The Centers of Excellences (COE) have been established to provide guidance and promulgate best practices to the acquisition community, and they do not act as oversight or governance bodies or recommend cancelling programs. The COEs are a resource for programs to obtain acquisition tools and information on best practices in key areas to improve their chances of success and efficiency. Assistance from the COEs supports programs in doing things like Life Cycle Cost Estimates and Test and Evaluation Master Plans right the first time, avoiding schedule slippage, for example, which ultimately saves scarce resources.

3. Taking into account the significant problems with SBInet, what safeguards have been put in place with regards to contracting and government procurement of IT systems to ensure the next such border security program does not fail?

   Response: One of the principal focus areas of Secretary Johnson's Unity of Effort initiative is to continue to refine our acquisition oversight framework, especially in the earliest stages where acquisition requirements are developed. As part of this initiative, a Joint Requirements Council (JRC), approved by the Secretary in a memorandum to DHS leadership on June 26, 2014, has been established to look at cross-Component

requirements and develop recommendations for investment, as well as changes to training, organization and operational processes and procedures. Additionally, the Department continues to enhance its acquisition governance and oversight structures to support and oversee programs after requirements have been considered and approved by DHS leadership. Further, the Department, working with its Components, has in recent years established robust training and certification programs at the Homeland Security Acquisition Institute for program managers, systems engineers, cost estimators, and contracting specialists. Together, these measures and safeguards will ensure that major IT and other acquisitions are based on well-developed requirements.

Questions for the Congressional Record
U.S. Senator Rob Portman
Subcommittee on the Efficiency and Effectiveness of
Federal Programs and the Federal Workforce
U.S. Senate Committee on Homeland Security and Government Affairs
For the Subcommittee hearing:
"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"
Tuesday, June 10, 2014

LUKE MCCORMACK
Chief Information Officer
U.S. Department of Homeland Security

1. In your testimony, you note that "no matter how well we govern our programs, they are only as effective as our people." Do we have the right people in place right now to effectively safeguard the Information Technology systems and infrastructure at DHS?

   Response: DHS has a talented workforce in place, however, recruitment and retention of top talent will remain a challenge as competition for qualified IT candidates increases every day. In addition to competing with the private sector, DHS must contend with other Federal agencies that have advantages due to greater appropriations, and greater salary flexibility. To compete for IT talent, the DHS IT community must explore new methods for integrating recruitment activities between and among DHS Components, Headquarters offices, and front-line recruiters. Two recent DHS recruitment and outreach initiatives to colleges and universities in cyber include:

- In March 2013, DHS established a Subcommittee on Cybersecurity as part of the Homeland Security Academic Advisory Council (HSAAC), a federal advisory committee comprised of college and university presidents and academic leaders. The subcommittee advises on DHS's cybersecurity recruitment and workforce education efforts. In April 2013, DHS created the Secretary's Honors Program Cyber Student Volunteer Initiative, an unpaid student volunteer program for college students pursuing a program of study in a cybersecurity-related field. The program was expanded to new DHS offices and locations in 2014, with over 70 unpaid student volunteer assignments available in locations across the country.

2. In your testimony, you note that workforce planning is a focal point at your department. In working with your internal partners, including top management, human resources, program management, and other partners, do you feel you have the basic information about the skills that exist in your current workforce to put together effective workforce plans?

Response: OCIO is currently working with the Office of Chief Human Capital Officer (OCHCO) to complete a DHS OCIO Workforce Plan that documents the linkage between the workforce and the mission; the factors impacting the workforce; the workforce staffing and skill supply, demand, and gaps; and the strategies and action items needed to address such gaps. This effort builds on DHS OCHCO's partnership with the U.S. Office of Personnel Management to pilot a Workforce Analysis, Competency Assessment and Gap Analysis, and Succession Planning services for select occupations within the Department. Together, these initiatives are providing insight into proficiencies needed for future leaders in the IT community and will help to prioritize areas for development to strengthen leadership now and in the future.

3. Do you think your recruitment and retention efforts and work to fill gaps in your cyber workforce would be helped by a common lexicon for cybersecurity work, a uniform classification for job functions, and specific employment codes?

Response: While the field of cybersecurity continues to evolve, some types of work have matured to the point that codifying them via common, updated federal human capital standards would, with a unified approach, provide agencies with additional flexibility and accuracy when classifying and recruiting for cybersecurity positions. The Office of Personnel Management's (OPM) in 2013 collaborated with the National Cybersecurity Initiative for Education (NICE), the Chief Information Officers Council (CIOC)and the Chief Human Capital Officers Council (CHCOC) on several reports and workforce tools that essentially are implementing this concept across the Federal agencies.

Issued in 2012, OPM's ***Guide to Data Standards*** provides a new cybersecurity data element standard designating positions that perform this unique work function; its change management intention aims to have Federal agencies begin to and then continuously identify their positions during the agency's hiring process with a code signifying its cybersecurity work functionality. As a first step in this change management strategy, OPM's Special FY14 Cybersecurity Project, currently underway, is a one-year strategy action for the Federal agencies to:

- Apply the new standard and code the existing workforce positions in the Information Technology Management (2210 Series) that is considered the major occupational area where this work function resides;
- Identify and apply the new standard's codes to other occupational series and positions that may also perform cybersecurity work; and
- Report their positions with the new coding to the OPM EHRI Data Warehouse to form a new cybersecurity dataset.

OPM's cybersecurity data standard aligns with the new cybersecurity lexicon and descriptive terms contained in the National Cybersecurity Workforce Framework report issued by NICE in 2013. Expected outcomes from this change management strategy include:

- A cybersecurity workplace culture that uses a common, consistent lexicon and terms to define and describe the performed work and its skills and that enhances the engagement of management and employees in accomplishing the agency mission;
- A dataset for the existing cybersecurity workforce that delineates more clearly the various elements of this work functionality and its skills in the agencies and across government;
- Future workforce planning strategies governmentwide and in each agency that will use this new data to shape their future cybersecurity workforce;
- A governmentwide recognition that this unique work function is currently performed in several occupational series and is still maturing and encountering dynamic changes in its skills and its challenges; and
- Institutionalizing a workforce data standard process in agencies' hiring process will enable and strengthen the capabilities of cybersecurity hiring managers and human resources officials in workforce planning and in hiring, training and retaining cybersecurity focused employees.

Over the next decade and as the cybersecurity work function and its challenges mature further, the Federal cybersecurity community may be helped by the consideration of the following human capital proposals/issues:

- standardizing the titling rules for common cybersecurity occupations to reflect specializations present in National Cybersecurity Workforce Framework developed by the National Initiative for Cybersecurity Education (NICE);
- making other changes to existing classification standards to integrate the content of the National Cybersecurity Workforce Framework;
- developing one or more new cybersecurity-focused occupational series;
- developing a methodology for agencies to classify or designate non-technical positions, such as those in general administrative series, as having a secondary focus on cybersecurity;
- establishing a system for tracking cybersecurity positions and employees that will allow for the coding of multiple, relevant designations and would be capable of evolving to accommodate changes to categories or codes over time;
- conducting a salary survey to establish the relationship between compensation of like federal cybersecurity positions and comparable cybersecurity positions in the private sector;
- creating alternative, more dynamic systems and procedures to govern the classification, staffing, and compensation of cybersecurity positions; and
- encouraging workforce occupational classification efforts that leverage private sector cybersecurity workforce trends.

4. Could you as Chief Information Officer better serve your agencies and the taxpayers with increased authority over information technology projects?

   Response: As the DHS Chief Information Officer (CIO), I work in collaboration with the DHS Component CIOs to ensure our IT investments support the effective execution of our missions and are based upon unified strategies, informed analysis, and collaborative decision-making across the Department's IT landscape. The DHS CIO authority is sufficiently mandated by statute (e.g., Clinger-Cohen Act), Federal directive (OMB M-11-29, OMB 25 Point Plan), DHS MD 0007.1, Information Technology Integration and Management, Delegation 04000, Delegation for Information Technology, and DHS policy (Deputy Secretary Lute's May 5, 2011 Memo) to engage with executives and stakeholders across DHS to manage IT investments.

5. As part of the data center consolidation program, how many data centers do you currently have and is that number less or more then the estimate you projected in 2011? Please explain any difference between the current number and previous estimates.

   Response: The 2011 Federal Data Center Consolidation Initiative (FDCCI) inventory submission consisted of 99 total data center sites (which were at that time divided between "primary" and "minor"). Currently, the DHS FDCCI inventory consists of 105 sites, of which 26 of this total have completed consolidation. Thus 79 sites remain active with 3 of these sites classified as "core" data centers. The total numbers continue to be revised and the data becomes more complete with each FDCCI update. Additionally, these figures include sites that completed consolidation pre-2010, and thus were not part of the initial FDCCI inventory.

6. Please explain why your department has only partially implemented the 5 industry best practices recommended by GAO for software licensing management, and do you have plans to fully implement them?

   Response: Within the Department of Homeland Security (DHS), each Component is responsible for managing its respective software licenses. While the 10 existing DHS Enterprise License Agreements are centrally tracked, multiple software contracts traditionally have existed across DHS and its Components. DHS is working to fully implement the best practices recommended by GAO through greater collaboration with key DHS Component stakeholders to examine the current DHS Enterprise License Agreements acquisition/procurement process, and leverage, where possible, aspects of the process to develop a more centralized software license management approach. Additionally, my office is examining methods for tracking and maintaining a comprehensive agency-wide list of software licenses.

   The goal is to standardize software license support and administration across DHS and its Components, create transparency in software license management and control costs.

Questions for the Congressional Record
Subcommittee on the Efficiency and Effectiveness of
Federal Programs and the Federal Workforce
U.S. Senate Committee on Homeland Security and Government Affairs
For the Subcommittee hearing:
"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"
Tuesday, June 10, 2014

STEPHEN W. WARREN
Executive in Charge of Information and Technology
U.S. Department of Veterans Affairs

Sen. Tester

1. **How have the OMB's PortfolioStat Initiative annual review and TechStat Accountability Sessions helped your agency identify and mitigate duplicity and reduce costs? Please provide specific examples of how these initiatives have helped your Department.**

   VA Response: VA appreciates the opportunity to comment on Office of Management and Budget's (OMB's) PortfolioStat and TechStat processes.

   Both VA and OMB share the commitment to data transparency and continual improvement in IT operations. VA operates its enterprise based on IT Projects (and operational subsets of projects called increments), which are mapped to Major Investments. OMB's Portfolio Stat FY 2014 Report proves VA feedback based on data roll-ups to the Major Investments. This report allows VA a view of the way OMB uses the data which is provided monthly. We are analyzing OMB's PortfolioStat data to determine how best we can apply these results to our continuous improvement efforts. We look forward to meeting with OMB representatives next month to gain an even better understanding of how to use this report to mitigate duplicity and to reduce costs.

   The Project Management Accountability System (PMAS) is the disciplined approach VA employs to ensure on-time delivery of information technology (IT) capabilities. PMAS establishes the framework that ensures the customer, IT project team, vendors and all stakeholders engaged in a project focus on a single compelling mission – achieving on-time project delivery. Use of PMAS to deliver IT capabilities is mandatory across the Department. PMAS provides a full project lifecycle management framework to VA, with work entered into PMAS in the New Start state, progressing to Planning and then finally, when the project is fully ready to execute and has all required resources, advances to the Active State.

PMAS provides VA OIT the opportunity to focus on the performance of its projects, particularly those in the Active State, as it is the state in which capabilities are developed and delivered. Since Fiscal Year (FY) 2010, VA OIT has been conducting TechStat reviews on every missed increment. We started this effort before the OMB mandate. If a project fails to deliver its increment on time, or is certain it will fail to deliver, the project manager must request a TechStat. No exceptions to this process rule are allowed.

The purpose of the TechStat review is to determine the root cause of the failure to deliver on time. Based on the root cause determined, corrective actions are taken to ensure the project makes its committed delivery. While the project team is given a new schedule for this second attempt, the record of its first failure is what counts in the VA performance report. Once the team understands the cause of its failure and has corrected it, it has a new opportunity to deliver the required IT capability.

VA's TechStat process has been effective at stopping projects that have shown they cannot deliver on time and also in giving projects an opportunity to mitigate risk and then deliver on time. For example, senior leaders closed the Nationwide Health Information Network project after it failed to consistently deliver on-time. Closing the project before it made any more delivery attempts conserved scarce development dollars. Another TechStat review identified several defects in another project, the Memorial Affairs Performance and Usability Enhancements (MAPUE) Increment 2. The defects were associated with software quality assurance and user acceptance testing. The analysis and risk mitigation efforts employed at the TechStat allowed the project team to correct the defects and deliver the increment on time.

The VA TechStat process creates an immediate lesson learned that is quickly applied by the project team. More broadly, the root causes established at the TechStat provide a strong source of lessons learned for PMAS projects across the Enterprise. Lessons learned from TechStats apply to both the individual project as well as the overall VA IT enterprise and result in improvements to all PMAS processes, and ultimately more efficient and on-time delivery of IT capabilities.

VA reports its TechStat data to the OMB Max system on a quarterly basis.

2. **What measures have been taken by the IPO to help fully integrate your department and the DoD medical records?**

VA Response: Ensuring that our Service members, Veterans, and their families receive world class health care is of utmost importance for both Departments. A key to the success of this mission is to ensure that DoD and VA electronic health records are interoperable – with each other and with private sector medical providers. The Departments already share a significant amount of data and are working with a sense of urgency to meet the deadlines established by Congress for shifting to computable, standardized health care data.

Currently, VA has access to electronic records of all separating Service members through the Federal Health Information Exchange (FHIE). In addition, the Departments' clinical providers have access to the Bi-Directional Health Information Exchange (BHIE), which is a secure, read-only display of electronic health information exchanged between DoD's Military Health Systems and VA's VistA. Using BHIE, DoD and VA are currently sharing essential electronically-stored health information. Each day, more than 1.5 million data elements are exchanged between DoD and VA based on 60,000 requests from our 10.5 million authorized users with more than 5.2 correlated records.

The Departments have been working together to move forward from read-only data shared through FHIE and BHIE to enhanced interoperability that provides data that is more integrated into the clinical workflow. Last year, we jointly implemented a series of interoperability accelerators, which resulted in substantial amounts of read-only data being transformed into more standards-based, computable data. The accelerators included the following capabilities:

- Delivered VA Blue Button/TRICARE Online Upgrade (Phase 1)
- Delivered Joint Legacy Viewer (JLV) to nine VA and DoD sites
- Completed Medical Community of Interest (Phase 1) Circuit installation, establishing a direct network connection between VA and DoD
- Mapped VA and DoD data to standard terminology for seven domains
- Created the capabilities that allow VA and DoD clinicians to access an integrated display of federated data

To enhance the Departments' interoperability, the JLV provides clinicians with access to health care data from all sites where the patient has been treated in DoD or VA. The seven JLV interoperable clinical domains include critical EHR information required for most outpatient clinical decisions. To exchange the capabilities of the Departments' legacy interoperability systems, additional data domains will be analyzed and mapped by the end of FY2014. We are working to increase JLV access by the end of this year to a larger pool of users at medical centers in a data-driven way.

Since a significant portion of the care provided to the Service members, Veterans, and eligible beneficiaries occurs in the private sector it is essential to ensure interoperability between DoD, VA, and the private sector. To further coordinate the Departments' interoperability efforts, on December 5, 2013, the Departments signed a new charted for the Interagency Program Office (IPO) identifying the IPO as the entity responsible for establishing, monitoring, and approving the clinical and technical standards profile and processes to create the seamless integration of health data. IPO will further support the Departments' and the Department of Health and Human Services Office of the National Coordinator for Health Information Technology's (ONC) efforts to adopt and future national health data and exchange standards, specifications, and certification criteria to improve health information technology and its applications. The IPO's partnership with ONC to pursue adoption

and maturing of national standards provides a vital link which makes DoD and VA data interoperable with the private sector, and which provides the Departments' EHR systems the flexibility to respond to the evolving health care marketplace. Standards-based exchange will enable all EHRs in VA, DoD, and the private sector to exchange health data so that any clinician treating our Service members and Veterans has the most complete information we can provide to them.

The IPO recently developed the Integrated Master Schedule to document our collective efforts over the next two years to closely manage our enhanced EHR interoperability efforts. Additionally, the IPO developed the first quarterly edition of the Healthcare Information Interoperability Technical Package, which includes ONC recommended and IPO approved national health data standards, as well as technical standards implementation guidance and associated profiles for acquisition programs and developers in DoD and VA. This will guide the Departments' modernization efforts and ensure interoperability.

3. **Could you please describe how important the agency culture is to your efforts and would you mine elaborating on your views of the importance of your agency's culture, as it relates to IT acquisition and initiatives?**

VA Response: The Department of Veterans Affairs' (VA's) culture relies on dual responsibility; the combined efforts of project management and acquisition contribute to the overall management of VA Information and Technology (IT) projects.

VA's Project Management Accountability System (PMAS) mandates that each project has an Integrated Project Team (IPT), a multidisciplinary team of experts that is committed to the common purpose of delivering specified work products and IT solutions on time and within budget, and that each product or solution meets the business requirements of the stakeholders. IPT engagement allows project teams to recognize, identify and resolve obstacles in order to continue planned delivery of IT functionality. Additionally, PMAS calls for a TechStat Meeting if a project's increment misses or anticipates it will miss its delivery date. TechStat Meetings provide an opportunity for project managers to present the root causes of failures to meet an increment delivery date. The project managers present this information to senior leaders for guidance or resolution, and ultimately enhance accountability for project management.

An important aspect of VA's culture as it relates to acquisitions as part of IT projects are in-depth collaborative sessions to make sure that projects can execute their funding with the highest degree of efficiency. In these collaborative sessions, experts from across the Department establish baseline budget operating plans, and then perform a "deep-dive" review of budget, acquisitions, and project management to help further define and expand current budget operating plans. During the collaborative sessions, VA determines project status by assessing the project's corresponding acquisition strategy, incrementally-based contract, and adherence to

the spend plan for each incremental acquisition. Participating teams work on detailing the IT requirements associated with business needs and ensuring that these are translated into project plans. These collaborative sessions are useful in preparing for the upcoming FY quarter budget execution; and identifying, quantifying, and detailing FY2014 unfunded requirements (UFRs).

During the project lifecycle, if a project is beginning to demonstrate risk that it will not be able to execute funds on time due to obstacles in acquisition, VA leadership requires a lockdown. In this lockdown, project managers, acquisition and budget professionals, and any other stakeholders necessary to execute the acquisition package, sit down in-person for multiple days to address and resolve the issues. VA's use of these integrative channels promotes a comprehensive, overall project management effort.

4. **Has the VA's successful implementation of IT systems encouraged shared knowledge initiatives with other departments and agencies? Please provide specific examples of shared knowledge and lessons learned with other agencies and departments.**

VA Response: Beginning in Fiscal Year (FY) 2012, VA has made a concerted effort to share the policy and practice of its Project Management Accountability System (PMAS). PMAS is the system used by VA to guide on-time implementation of information technology (IT) projects. VA looks for every opportunity to collaborate with other Federal agencies about the benefits of PMAS and has done so through creating a web presence as well as in meeting with many federal agencies. VA established an external facing website that provides Federal agencies access to everything they need to know to adopt PMAS to increase their abilities to deliver IT capabilities on time. This PMAS site can be accessed at https://www.voa.va.gov/pmas/. Federal agencies can use this site to learn about the steps VA took to instill accountability into its IT implementations, read the guidance VA has written to govern PMAS, and review our published data metrics. When Federal agencies contact VA OIT to learn about PMAS, this site provides many of the initial resources required to acquaint their representatives with VA's accountability program.

Agencies with whom we have shared our experiences with PMAS include the National Institute of Health (NIH), the Department of Homeland Security, the U.S. Army Corps of Engineers, the Defense Finance and Accounting Service and the Department of the Interior. VA has engaged with all these agencies (frequently more than once); VA understands that different Agencies have different approaches to IT delivery and governance. We do our best to tailor our presentations and approaches to best meet the needs of the agencies who have contacted us.

PMAS is intertwined with the Agile development methodology; one enables the other. PMAS sets and enforces the requirement to deliver in increments of six months or less, but it is the skillful use of Agile that provides project managers the

flexibility they need to satisfy this requirement. Consequently, our external engagement efforts also emphasize our use of Agile.

In addition to these specific PMAS outreach efforts, VA interacts frequently with representatives of the U.S. Government Accountability Office (GAO) in the course of its investigations and audits. GAO has exhaustively examined PMAS process, practice and results and has noted that VA is on the leading edge within the Federal government in incremental delivery of IT capabilities. In addition, the requirement for all IT projects to conform to PMAS is included in all acquisitions which are let, discussed at meetings with IT vendors, embedded in VA's process library, and reflected in VA's strategic management goals.

5. **What particular Telehealth initiatives has your Department recently unveiled and how have these initiative impacted budgetary concerns?**

   VA Response: Between FY 2012 and FY 2014, VA has rolled out a number of innovative Telehealth services that include: tele-audiology, tele-intensive care (Tele-ICU), chronic disease management, tele-wound care, tele-bipolar care, tele-compensation and pension examinations, tele-schizophrenia, tele-neurology, tele-spirometry. These services are accounted for financially at their current levels of provision. VA's clinic-based and home-based Telehealth services provide VA with substantial annual cost reductions in travel and care delivery.

6. **What kinds of assessments are being made agency-wide to attempt to address antiquated systems, such as some of those 30 year-old software systems still in operation in Montana? If a VA system is dealing with such antiquated software, clearly the delivery of care will be delayed. Is there a process in place to ensure that IT investments are being made to address such fundamental issues as delays in care?**

   VA Response: VA has become an industry leader in developing and delivering IT products. For the fourth year in a row, our on-time delivery rate for IT projects tops 80 percent compared to a private sector average of just 55 percent. And, regardless of date, we have consistently delivered on 98 percent of our IT product commitments.

   Despite these successes, the Department has faced longstanding challenges with prioritizing work on some administrative support systems such as VA's medical appointment scheduling system, which was implemented around 30 years ago. We are addressing this challenge using the PMAS process explained above, and the Department is on track to deliver immediate, near- and long-term solutions to address the issue, including the eventual replacement of the current scheduling system.

   Scheduling is one part of our much larger electronic health record, called VistA. VA is evolving VistA to a next generation electronic health record to support team-based

care coordination, clinical decision making, medical device integration, and ancillary service integration. The VistA Evolution Program is a combination of efforts and products, which are executed in parallel by using an agile program management methodology.

The complexity of the VistA Evolution (VE) Program presents challenges to software and systems development including:

- Multiple phases of delivery (beginning with Product Set 1 in September 2014, followed by Product Sets 2 through 4) spread out over succeeding years.
- Stakeholders and sponsors from multiple divisions within the VA, each with unique software and systems development governance.
- Distributed integrated project teams made up of VA and contractor support staff from multiple organizations and contracting entities.

The VistA Evolution Program will mitigate these challenges by using the Program Management Accountability System (PMAS). PMAS relies on Integrated Teamwork across the VA to enforce accountability, emphasize resource management, enable transparency, and directly engages senior leadership, requiring for continual participation by the customer community. The VistA Evolution Program requirements management process will also involve Capability Management Boards (CMB), Strategic Investment Management (SIM), VistA Evolution Program Configuration and Change Control Board (CCCB), and Integrated Project Team (IPT).

VA also uses its robust prioritization process to address other IT issues across the enterprise, in both IT software development and operational support. For instance, the VAMC in Ft. Harrison, Montana, is the lead pilot site for VA's modernization strategy for facility telephone infrastructure. VA is currently in the planning and preparation process to install and test new, state-of-the-art telephone hardware. Migration into production is planned for FY 2014. The outcomes of the pilot effort at Ft. Harrison and two other locations will guide an enterprise-wide deployment effort to all of VA's voice systems. If successful, this effort will also eliminate unnecessary duplication, and provide additional capabilities and redundancies.

Questions for the Congressional Record
Subcommittee on the Efficiency and Effectiveness of
Federal Programs and the Federal Workforce
U.S. Senate Committee on Homeland Security and Government Affairs
For the Subcommittee hearing:
"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"
Tuesday, June 10, 2014

STEPHEN W. WARREN
Executive in Charge of Information and Technology
U.S. Department of Veterans Affairs

Sen. Rob Portman

1. **Last year Dr. Petzel and I discussed some of the limitations of still forcing veterans to drive to a Community-Based Outpatient Clinic (CBOC) to use tele-health technology. He said he had the resources he needed to expand this program and that it was just in its infancy. Can you tell me what the status of the program is a year later?**

   VA Response: Telehealth services encompass 150 VA Medical Centers, 685 Community-Based Outpatient Clinics (CBOCs) and are also delivered into Veterans homes. These programs cover 44 clinical specialty areas and are growing by approximately 22 percent annually. VHA has a dedicated nation-wide clinical videoconferencing system that enables all VA sites to inter-connect, providing the potential for national referral networks. Models of national teleconsultation and the logistics for accomplishing this are being developed by VHA's National Telemental Health Center in West Haven, CT. VA is expanding access to care through Telehealth in settings other than CBOCs. These non-VA sites include: VET centers, state Veterans homes, federally qualified health care clinics, rural health centers, community mental health centers and homeless shelters. VA is currently seeking to pilot tele-amputation support to community prosthetic services to increase access to care. In Fiscal Year (FY) 2013, VA has provided Telehealth-based care to 653 Veterans in non-VA sites. Additionally, in FY 2013 over 2,000 Veterans accessed VA care by video from home.

2. **How many veterans are getting care through telemedicine?**

   VA Response: In FY 2013, VHA provided 1.7 million episodes of Telehealth-based care to approximately 608,000 Veterans. Of these, over 144,000 received Home Telehealth services that enabled 41,430 of these patients, who were at risk of admission to non-institutional care, to live independently in their own homes; over 200,000 Veterans received care via videoconferencing between hospitals and clinics; over 2,000 received video consultations in their homes; over 270,000

Veteran were screened for diabetic eye disease and approximately 45,000 patients received teledermatology services. Forty-five percent of Veterans receiving Telehealth services live in rural/remote locations.

3. **How many of those still need to drive to a VA facility to use telemedicine equipment?**

   VA Response: Of the roughly 608,000 Veterans receiving telehealth-based care in FY 2013, approximately 75 percent travel to a VA Medical Center, CBOC or other site of VA Care. Over the last 2 years, VA has used Internet Protocol (IP) video to provide telehealth care services directly to Veterans in their homes, and currently anticipates 4,000 patients will access care in this manner in FY 2014. On average, VA estimates that Telehealth services that Veterans receive in CBOCs result in average travel costs savings of between $34 and $38 per patient, per consultation, because patients do not have to travel to distant VA medical centers.

4. **How has the use of telemedicine expanded for mental health treatment?**

   VA Response: In FY 2013, VA provided 91,000 Veteran patients with mental health services via telehealth that delivered approximately 278,000 telemental health consultations. VA's provision of telemental health has grown 23-fold since FY2003. These services are provided from 146 VA Medical Centers and 685 CBOCs. The scope of VA's telemental health services includes all mental health conditions with a focus on post-traumatic stress disorder, depression, compensation and pension exams, bipolar disorder, behavioral pain and evidence-based psychotherapy. VA's National Telemental Health Center provides services for schizophrenia, bipolar disorder, compensation and pension examinations and behavioral pain. In FY 2013, chronic disease management provided via home telehealth devices supported 7,430 patients with chronic mental health conditions to live independently in their homes and 2,284 patients had video consultations directly into their homes.

5. **What are the next steps for improving your scheduling software system?**

   VA Response: Access to VHA services is at the center of the VHA mission to provide exceptional healthcare that improves the Veterans' health and well-being. To accomplish its mission, VHA needs to ensure that there is consistency and expediency in providing needed services to our Veterans: timely access to care where and when needed; equity across VHA in the number and types of services available; and consistency in access to those services. The mission has become even more of a challenge as demand for VA healthcare services has increased.

   To address these issues, VA designed a VistA Scheduling software replacement program that will provide immediate benefits to the field, while transitioning to the new scheduling application. The VistA Scheduling software replacement involves four phases detailed below, cumulating in the deployment of a new scheduling

software application. VistA Scheduling project is managed as a part of the VistA Evolution program.

Planned Scheduling Phases

The goal of VistA Scheduling program is to provide immediate (albeit limited) relief to the field, while simultaneously acquiring and implementing an industry Commercial off-the-shelf (COTS) tool and related business changes. The VistA Scheduling program is broken into distinct efforts and outcomes, as follows:

1. **Legacy System:** This is a short-term fix to identified problems with the current VistA scheduling software. The improvements will be released through a series of software patches; the work is in process with first patch released.
2. **Current Interfaces:** This will improve scheduling interfaces to systems/applications for schedulers and patients.
    a. **Clinical Video Teleconferencing (CVT):** Intra-facility web-based interface to perform scheduling for CVT and Telehealth instead of the existing manual processes
    b. **Scheduling Manager App:** Changes view to a calendar picture view that pulls together relevant information in one screen needed to make an appointment.
    c. **Patient Directed Scheduling App:** Will allow certain patients to self-schedule selected primary care appointment slots with their assigned primary care provider through a mobile application.
3. **VistA Scheduling Enhancements:** These are fixes to the VistA core legacy system and are designed to provide critical, near-term enhancements to the existing scheduling system in the absence of a new, COTS enterprise solution. They will deliver functionality to provide users with a resource management dashboard, an aggregated clinical schedule, and a single queue of request lists and workflow improvements (July 2014 through January 2016).
4. **Medical Appointment Scheduling Solution (MASS):** This is the long term solution to provide a proactive resource management-based scheduling system/application that schedules staff, facilities, equipment and support services. This solution will also provide transparency to balance supply and demand with a single consolidated view of resource availability and appointment requests. In addition, MASS will provide consistent implementation and visibility of business rules to support scheduling policies and directives.

After a series of meetings in January, VA formally decided to pursue a COTS solution to replace its existing scheduling system. On June 18, 2014, VA engaged in an "Industry Day" to meet with vendors to provide details on VA's requirements and to solicit industry input for MASS, the larger replacement of its existing scheduling system.

VA hosted one-on-one sessions with industry the week of June 30, 2014, to see industry presentations. VA issued the FedBizOpps (FBO) Announcement Number VA118-14-I-0352 and collected industry responses July 10, 2014. VA is currently evaluating those RFI responses. VA conducted a meeting with Veterans Service Organizations on July 15, 2014, to discuss requirements for the medical software system replacement. Information gained from these events will shape the approach and acquisition for MASS.

6. **What is the timeline for those improvements?**

   VA Response: Please see response above within QFR #5.

7. **What are the key capabilities you are acquiring?**

   VA Response:

- Clinical Video Teleconferencing (CVT)
  - Automated, intra-facility web-based interface/system to perform scheduling for clinical video teleconferencing (CVT) and Telehealth instead of the existing manual processes.
  - Will deliver decreased wait times, increased scheduling efficiency, decreased frustration, and overall increased satisfaction with the nationwide CVT program.

- Scheduling Manager App
  - Changes view from an antiquated command line to a calendar picture view that pulls together relevant information in one screen needed to make an appointment.

- Veteran Appointment Request (VAR)
  - Allows Veterans to Request Primary Care and Mental Health Appointments by specifying 3 desired days; Allows Veterans to Request Face-to-Face, Telephone or Video Visits.

- Direct Patient Scheduling App
  - Allows established primary care patients to directly schedule and cancel primary care appointments with their already-assigned PACT provider.

- VistA Scheduling Enhancements (VSE)
  - Provide critical, near-term enhancements to existing scheduling system in the absence of a new, COTS enterprise solution.
  - Tools which will aid clinical managers in scheduling resources and enhancements to address recently identified vulnerabilities.
  - Provide users with a resource management dashboard, an aggregated clinical schedule, and a single queue of request lists and workflow improvements.

- Medical Appointment Scheduling Solution (MASS)
  - Proactive resource management-based scheduling that schedules staff, facilities, equipment.
  - Provide transparency to balance supply with demand:
    - Single, consolidated view of resource availability (e.g. one calendar for clinician)
    - Single, consolidated list of appointment requests (e.g. single view of patient)
    - Improved transparency through richer data for reporting
  - Provide consistent implementation and visibility of business rules to support scheduling policies and directives.

8. **What do you see as the greatest risk in developing this new system?**

   VA Response: Technical Risk: There is always considerable risk involved with the integration of a new product at an enterprise level in an organization. Scheduling is certainly not an exception based on its size as well as the magnitude of dependencies that it shares with other VA applications. The VA's strategy is to mitigate this by performing a thorough analysis of those dependencies and implementing a strategy that allows for a more seamless integration.

   Business Risk: Implementation of a new, commercial scheduling product will likely require a culture change within the VA user community. VA is mitigating this risk by developing an extensive business process re-engineering strategy that will be replete with training.

9. **How is the VA leveraging commercially available technology to improve its scheduling system?**

   VA Response: The MASS solution is looking to leverage a COTS product.

10. **Could you as Chief Information Officer better serve your agency and the taxpayers with increased authority over information technology projects?**

    VA Response: VA's CIO is already one of the most authoritative in the federal government. Thanks to IT consolidation completed in 2009, VA's CIO has budgetary and oversight responsibility over all VA IT projects, devices, networks, and staff. VA receives an IT-specific appropriation, and no VA appropriations can be used to fund IT work outside of the IT appropriation line. The CIO has direct budget authority over VA's IT appropriation line and is responsible for all IT products and projects. The authorities granted to the VA CIO increase leadership focus on VA IT issues and have enabled VA to institute rigorous delivery practices, such as the Project Management Accountability System (PMAS). Through consolidation and systems like PMAS, VA has become a responsible steward of taxpayer IT investments, delivering over $4 billion in new IT capabilities that are helping VA increase access

to health care for Veterans, eliminate the benefits claims backlog, and end Veteran homelessness. For four years in a row, VA delivered 80 percent of its IT products on their originally scheduled date, and has an overall delivery rate of around 98 percent.

11. As part of the data center consolidation program, how many data centers do you currently have and is that number less or more then the estimate you projected in 2011? Please explain any difference between the current number and previous estimates.

VA Response: VA has a total of 329 active data centers. VA is reducing the footprint and sustainment cost of our data center portfolio through standardization, consolidation, and optimization. VA continues to complete data center closures, with 15 closed data centers, and 5 future data centers that are being considered for removal from the inventory as VA seeks to improve its consolidation/optimization plan.

The differences in quantity are a result of improvements in VA data collection processes and changes to the OMB definition of a data center over that period of time.

VA is optimizing our data centers by increasing the IT system virtualization level across OIT operations. VA has implemented virtualization pilots at regional-level data centers for proof of concept on a small scale, in addition to the successful virtualization program implemented at our enterprise-level data centers for larger scale operation

Importantly, in FY13 VA completed the migration into standup two shared Department of Defense (DoD) Defense Information Systems Agency (DISA) Defense Enterprise Computing Centers (DECCs), including improved disaster recovery, fail-over, and continuation of operations capabilities. In FY14, VA plans to migrate VistA systems from VA medical center computer rooms in VA Regions 2 and 3 to the new DECCs. This work is in progress.

12. Please explain why your department has only partially implemented the 5 industry best practices recommended by GAO for software licensing management, and do you have plans to fully implement them?

VA Response: VA OIT recognizes the importance of software license management and, as a result, established a "Technology Innovation Program Office" (TIPO) in 2013. The TIPO Director was hired in May 2013 and six staff members were hired immediately thereafter, through Dec 2013. In FY2013 and FY2014, TIPO focused on the establishment and maintenance of a framework and a set of processes for strategically tracking and managing IT software assets throughout the lifecycle. VA OIT has established an inventory in a central repository for all known Enterprise Software License agreements.

During FY2015, TIPO will make progress on all 5 GAO recommendations. TIPO has plans defined for how to realize full implementation. TIPO has developed a logical architecture to extract necessary software data elements in order to build a comprehensive and scalable enterprise Software Asset Management solution. Currently TIPO leverages existing tools including, but not limited to, Microsoft Systems Center Configuration Manager (SCCM), IBM Endpoint Manager (IEM), and BMC Atrium Discovery and Dependency Mapping (ADDM), in order to gain a more detailed accounting of software assets enterprise wide. It has also created a detailed project plan and schedule to design, develops, test, and maintain software normalization capabilities, usage data, and integration of various software asset data elements necessary to support software asset management decision-making processes.

Questions for the Congressional Record
Subcommittee on the Efficiency and Effectiveness of
Federal Programs and the Federal Workforce
U.S. Senate Committee on Homeland Security and Government Affairs
For the Subcommittee hearing:
"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"
Tuesday, June 10, 2014

DONNA SEYMOUR
Chief Information Officer
U.S. Office of Personnel Management

Questions submitted by U.S. Senator Jon Tester:

1. How have the OMB's PortfolioStat Initiative annual review and TechStat Accountability Sessions helped your agency identify and mitigate duplicity and reduce costs? Could you please provide specific examples of cost-sharing or savings that have been realized under such initiatives?

    - OMB's PortfolioStat Initiative has been helpful as a set of data points for understanding the OPM portfolio and prioritizing focus on critical areas of the portfolio. It provides a basis for discussion about current status and planning for improvements which can then be used to inform and substantiate budget requests. It provides comparative data for federal agencies to ensure sharing of lessons learned and solutions to federal-wide challenges. As a result of prior PortfolioStat reviews, OPM is targeting mobile device management and printer management as improvement initiatives. Even though cost savings will not be significant, our efforts in these areas will improve management and customer service.

2. Could you please update us on the implementation of a new governance model at OPM, which will include an Investment Review Board, which seeks to monitor progress of IT development initiatives?

    - **IT Governance** will enable us to: (1) align business and technology leadership to identify investment priorities, (2) properly and proactively manage our IT program, (3) ensure we invest wisely in technologies, and (4) identify and transparently manage our IT budget while we seek cost avoidance and savings opportunities in sustainment areas, thereby enabling scarce resources to be used for new efforts. We will institutionalize an Investment Review Board (IRB) and supporting governance structure, including the revision of charters for continuing IT boards and sunsetting of other boards, to improve acquisition and fiscal management accountability. We will also establish decision criteria for

investment decisions that consider EA, costs, and repurposing of existing solutions and tools rather than acquiring new ones, in addition to mission outcome. To institutionalize the IRB at OPM, we are revising our charter to include all Associate Directors and Office Heads. We are also synchronizing our investment review process with our budget process to ensure we fund the most critical IT initiatives. This gives us two ways to look at our IT spend: 1) at the item level in our budget process so we find opportunities to approach IT from an enterprise perspective, and 2) from a programmatic perspective so that we ensure our IT is supportive of our business mission. We anticipate the first meeting of our newly reformed IRB in the September timeframe to brief our FY 2015 IT spend plan.

3. In reference to OPM-Federal Investigative Services, can you describe for us the types of technical upgrades that are being coordinated between OPM and other agencies conducting background investigations for security clearances? With the new EPIC suite updates throughout the Federal Investigative Services, what technical challenges have you experienced? What measures has OPM-FIS taken to ensure that their IT capacities are up to par, according to the needs suggested by the review from the Performance Accountability Council's (PAC's) 120-day review?

   - OPM's Federal Investigative Services (FIS), as well as other Investigative Service Providers who utilize OPM systems such as e-QIP, CVS, and our imaging system in the form of electronic release of information, have benefited in many ways from technology enhancements, including:
     i. Increased use of e-QIP has improved the timeliness of processing, reduced manual handling of cases, strengthened the protection of personal identifying information and resulted in improved quality of information provided by the subject and requesting agency through e-QIP's automated validation processes.
     ii. Enhancements to OPM's CVS/Security and Suitability index with improved reporting of investigations by other ISPs outside of OPM, implemented reciprocity search capability interfaces for e-QIP and expanded interfaces with DOD's JPAS, as well as expanded the clearance data repository to include State, Local, Tribal, Private Sector clearances in support of E.O. 13549
     iii. Increased use of digital fingerprint capturing equipment by Federal agencies.
     iv. The ongoing transition from manual to automated record checks has allowed FIS to use its investigative resources more effectively, reducing costs and processing times and easing the handling burden on state and local law enforcement agencies across the country.

v. Expansion of electronic delivery of completed investigations through the eDelivery and PIPS Electronic, saving time and allowing agencies to speedily identify those cases that may be electronically adjudicated.

- FIS is continuously enhancing and expanding our automated suite of systems designed to support the investigative processes of FIS and the personnel security processes of the Federal Government.
  i. Personnel Investigations Processing System (PIPS) - Steps have been taken to implement new, automated SSN and CVS NAC items; Modified Case Management Organizational Structure to improve efficiencies; Modifications to business scheduling rules
  ii. Electronic Questionnaires for Investigations Processing (e-QIP) - New 3.0 re-design user interface/hardware infrastructure has been implemented, as well as digital signatures; enhanced attachment processes; Security/Login/No SSN enhancements; and third party data entry
  iii. Fingerprint Transaction System (FTS) - FIS has recently updated validation rules improving classifiable rates; expanded test/validation system for customers and developed new customer email notices; as well as increased the electronic submission user base to nearly 5000.
  iv. Field Work System (FWS) - A new Field Investigator and Records Searchers system was deployed during FY 2013 to OPM's federal and contractor investigators, which integrated workload management; enhanced validation/reporting enhancements over the previous PIPS-R system; and integrated mapping and route planning capability.
  v. Central Verification System (CVS) - As noted above, enhancements for improved reporting of investigations conducted by other ISPs outside of OPM, implemented reciprocity search capability interfaces for e-QIP users and expanded interfaces with DOD's JPAS, expanded the clearance data repository to include State, Local, Tribal, Private Sector clearances in support of E.O. 13549
  vi. FIS Dashboard Management Reporting System (FDMRS) - Implementation of commercial Business Intelligence reporting system has enabled greater workload/workflow management reporting through operations: Alerts, targeted queries to identify areas of concern and responsive reporting to external customers are improving the quality, timeliness, and transparency of FIS products/services.
  vii. OPM PIPS Imaging System
    1. eDelivery services were expanded to over 55 agencies; eFile release processes were enhanced; the Up-Front scanning process was expanded; enhancements to facilitate two-way communication of adjudication data were made, and eDelivery changes were facilitated to support the consolidated DOD CAF.

2. Developed a resequenced investigation report to group like items together (e.g., employments, education, law checks) to promote efficiency for the users of our reports, primarily in the adjudication process.

- With an eye to the future, FIS is enhancing and updating our systems, including the following initiatives:
  - i. Platform enhancements to update hardware and software
  - ii. Continue implementation of event driven architecture
  - iii. Leverage use of Commercial Off-the-Shelf (COTS) products
  - iv. Incorporate relational data base functionality to increase system flexibility and reporting capabilities
  - v. Provide additional utility for field investigative staff by taking advantage of proven technology
  - vi. Enable the EPIC Suite to accept a single sign-on (one door into the system)
- OPM is actively engaged with the Performance Accountability Council Program Management Office to support development of the Enterprise IT strategy for long term needs of suitability, security and credentialing processes so that new enterprise capabilities are developed in the most efficient and timely manner.

4. With the new governance model at OPM, could you please describe the plan to review and update the federal retirement process?

   - In FY 2014, we will identify and begin configuring a case management solution for some retirement case scenarios. OPM is already gathering requirements. That work will continue as we implement additional workflows in FY 2015 to cover most of our retirement cases. This case management solution will give us greater insight into the cases themselves, our processes, and our performance within those workflows. Additionally, we are pursuing capability for employees to submit retirement applications online, reducing the paper currently sent by agencies to OPM. The result of these efforts will be a project plan built around specific milestones and deliverables for each area of focus that can be implemented iteratively and within the framework of our new IT governance structure as resources are made available.

     In the meantime we continue to diligently work the inventory of cases and are aligning our processes and resources to achieve greater efficiency. Based on research, we are focusing our attention on OPM's online services. Interview results show that customers who utilize online services are very satisfied with such services. The key is to drive more people to online services and to further improve those services/experiences.

Questions for the Congressional Record
Subcommittee on the Efficiency and Effectiveness of
Federal Programs and the Federal Workforce
U.S. Senate Committee on Homeland Security and Government Affairs
For the Subcommittee hearing:
"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"
Tuesday, June 10, 2014

DONNA SEYMOUR
Chief Information Officer
U.S. Office of Personnel Management

Questions submitted by U.S. Senator Rob Portman:

1. What are some of the challenges the federal government faces in anticipating cyber workforce needs?

    - Since 2000, this work has been in transition with rapid technology advancements, national security and prosperity concerns, and new, emerging processes. The field of cybersecurity work is still maturing, and OPM is at the forefront in guiding and designing workforce planning strategies and tools that enable the Federal agencies to compete successfully in the labor market for the workforce they need.

2. Does the federal government have the information it needs to anticipate cyber workforce needs and recruit talent to the federal workforce accordingly?

    - OPM is one of the more than 20 Federal agencies collaborating with the National Initiative for Cybersecurity Education (NICE) project. OPM's involvement in this project was based on NICE's objectives to (1) update and re-categorize the cybersecurity work function nationally; (2) design and develop a clearinghouse resource for national cybersecurity training and certification opportunities; and (3) to raise the Nation's awareness for the need for cybersecurity skills in the current and future talent pool, through a stronger educational systematic pipeline and outreach to the public, including colleges and universities. OPM partnered with the Office of Management and Budget and the Office of Science and Technology through the Government-wide Closing Skill Gaps Initiative to strengthen data collection tools for Federal positions that perform the cybersecurity work function. This project will enable government-wide strategies and Federal

agencies workforce strategies to be designed using data-driven analyses for attracting and developing the existing and future federal cybersecurity workforce. This new dataset will ensure existing federal positions with cybersecurity work are re-categorized using the OPM Cybersecurity Data Element Standard and that future hiring and training opportunities successfully attract and retain quality candidates from the fiercely competitively national labor market for cybersecurity skills. OPM offers several pay and leave flexibilities to agencies to help recruit and retain talented individuals into the Federal workforce. These include special rates of pay, critical position pay, recruitment incentives, relocation incentives, student loan repayment programs, and creditable service for annual leave accrual for non-Federal work experience.

3. In a recent memorandum, OPM asked the heads of departments and agencies to apply a common language and taxonomy for the positions in their cybersecurity workforces. How is that process developing? Do you feel action is needed to expedite the process?

    - New common language and taxonomy were defined in the 2013 report from the National Initiative for Cybersecurity Education (NICE) titled: the National Cybersecurity Workforce Framework (Version 1.0). 38 distinctly defined work categories are delineated in the report. NICE is a coalition of 20 Federal agencies (including OPM, DOD, DHS and DNI) with representatives from State, local and Tribal governments as well as academia and the private sector. OPM issued its Cybersecurity Data Element Standard, aligned with the NICE Framework, in its Guide to Data Standards. This new OPM standard, with 41 data element codes, provides an infrastructure for improving the government-wide data collection process for categorizing Federal positions with cybersecurity work functions. The OPM FY14 Special Cybersecurity Project to create and grow a new EHRI dataset for the existing Federal cybersecurity workforce community is progressing. As of the end of May 2014, 21 CHCO agencies have begun populating the dataset, 67 occupational series are identified as having positions possibly with cybersecurity work, over 800,000 positions have been identified as having some cybersecurity work assigned, and agencies are using the new cybersecurity data codes to categorize those positions with significant cybersecurity duties. This new evidence-based workforce planning tool is intended to provide key insight in the demand and flow of cybersecurity skills so that targeted hiring and training opportunities can be strategically used in shaping the current and future workforce.
    - OPM does not feel any further action is needed to expedite this process.

4. Could you as Chief Information Officer better serve your agency and the taxpayers with increased authority over information technology projects?

    - As Chief Information Officer at OPM I have the necessary authority over information technology projects. No further authority is necessary to ensure timely completion of projects within budget.

5. As part of the data center consolidation program, how many data centers do you currently have and is that number less or more then the estimate you projected in 2011? Please explain any difference between the current number and previous estimates.

    - In an effort to consolidate the number of federal data centers, OMB launched a consolidation initiative intended to close 40 percent of data centers by 2015with the goal of saving $3 billion. GAO reported that agencies planned to close 1,055 data centers by the end of fiscal year 2014, but also highlighted the need for continued oversight.
    - OPM currently has 5 data centers. This is 1 more than reported in 2011. The additional data center is a commercial facility used by one program. OPM is in the process of consolidating this program into an existing data center by the end of 2014. OPM is analyzing its options for consolidating data centers and anticipates making a final decision in FY 2015 to support its mission requirements while realizing efficiencies in operations.

Post-Hearing Questions for the Record
Submitted to Christopher A. Miller
From Senator Jon Tester

"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"

June 10, 2014

1. Can you please describe the efforts undertaken by the Interagency Program Office (IPO) this year to help fully integrate your department's medical records and the Department of Veterans Affairs (VA) medical records system? What specific steps have been taken in order to expedite the sharing of this information? Does the IPO have effective control over staffing for the joint project? Does the IPO have effective control over the funding for a joint project?

   Answer. The DoD/VA Interagency Program Office (IPO) is working closely with the Departments, the Office of the National Coordinator for Health Information Technology (ONC) and the private sector to expedite the seamless integration of health data. Our objective is to ensure that our users and clinicians have access to health data when needed regardless of when care is performed.

   This year, the Departments have committed to pursuing additional enhancements to the set of interoperability accelerators implemented in 2013 to transform substantial amounts of read-only data into bidirectional data. We will expand access to a joint viewer, Janus JLV, from 500 to 3,500 users by the end of FY14 to improve clinicians' ability to examine DoD or VA patient records. By September 2014, we will normalize eight data domains to the same national standards used by private sector systems, adding to the seven key domains mapped in 2013. We are looking at targeted opportunities to further accelerate the deployment of these capabilities.

   The IPO is also working closely with the ONC to identify and adopt national data standards for interoperability. The IPO is assisting both Departments in implementing these standards, which will also be incorporated into each Department's modernization program. In pursuit of its technical leadership responsibilities, the IPO recently developed a Healthcare Interoperability Technical Package to drive the Departments' implementation of national health standards required for seamless interoperability. This document will be updated on a quarterly basis as applicable standards evolve and mature. Additionally, the IPO is expected to finalize its Health Data Interoperability Management Plan (H-DIMP) later this year to provide a governance structure for IPO efforts made toward interoperability and standards setting.

   The IPO is jointly-staffed and jointly-funded with collaborative DoD and VA leadership and management. Pursuant to the updated charter signed by the Under Secretary of Defense for Acquisition, Technology and Logistics and the VA Executive in

Charge/Chief Information Officer, DoD and VA staff are assigned and detailed to the IPO to fulfill the requirements identified by me as the IPO Acting Director, and are funded by the Defense Health Agency and Veterans Health Affairs/VA Office of Information and Technology. The Departments have signed a Memorandum of Understanding governing the sharing of IPO expenses, and as Acting Director of the IPO, I have effective control over funding for our interoperability program.

2. What have you done to address management barriers to effective collaboration on the joint health information technology efforts with the VA?

Answer. As Program Executive Officer of DoD Healthcare Management Systems (DHMS) and Acting Director of the DoD/VA Interagency Program Office (IPO), I have worked to refocus the mission of the IPO, stand up the NDAA-mandated IPO Executive Committee, and develop and strengthen partnerships with key leaders in DoD, VA and the private sector.

Last year, I led the effort to update the charter of the jointly-staffed and jointly-funded IPO to focus on its new responsibility for establishing, monitoring and approving the clinical and technical standards profile and processes to create seamless integration of health data across the VA and DoD and with private sector providers. Under my leadership, the IPO supports efforts of the Departments and the Office of the National Coordinator for Health Information Technology (ONC) to implement national standards, specifications, and certification criteria to improve health IT and its application.

I also led the effort earlier this year to charter and stand up the IPO Executive Committee, as required by the FY2014 NDAA. The Committee, co-chaired by the Under Secretary of Defense for Acquisition, Technology and Logistics and the VA Chief Information Officer, monitors and supports the IPO in its role as the single point of accountability in the implementation of electronic health records or capabilities that allow for full interoperability of health care information between the Departments, and facilitates the Departments' compliance with the IPO's identified standards.

DoD is working to acquire a commercial off-the-shelf electronic health record (EHR) system to replace our legacy systems, and I have actively included VA leadership in all aspects of this process, including development of the Request for Proposals (RFP) and our four Industry Days. I have worked closely with my counterparts at VA to identify and use all tools at our disposal to increase collaboration between the two Departments.

In addition to my work promoting interoperability between DoD and VA, I have identified and developed partnerships with key leaders elsewhere in the government, in the private sector, and even internationally. I meet regularly with officials at ONC as we seek to take the lead on the implementation of national data standards. As we approach the completion of the final RFP for DoD's EHR acquisition, I have visited or met with dozens of leaders in the field, including hospital systems, clinicians and EHR vendors, and traveled to the United Kingdom to learn about the efforts of the Ministry of Defence

to digitize their health records. Each of these partnerships has helped us move closer to our goal of seamless integration of health data between DoD, VA and the private sector that will transform the delivery of health care to current Service members, their families and our Veterans.

3. What of your personal initiatives has the Department of Defense Healthcare Management System undertaken since you have been Program Executive Officer?

Answer. As Program Executive Officer of DoD Healthcare Management Systems (DHMS) and Acting Director of the DoD/VA Interagency Program Office (IPO), I have worked to refocus the mission of the IPO, stand up the NDAA-mandated IPO Executive Committee, and develop and strengthen partnerships with key leaders in DoD, VA and the private sector.

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Questions for the Congressional Record
U.S. Senator Rob Portman
Subcommittee on the Efficiency and Effectiveness of
Federal Programs and the Federal Workforce
U.S. Senate Committee on Homeland Security and Government Affairs
For the Subcommittee hearing:
"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"
Tuesday, June 10, 2014

CHRISTOPHER MILLER
Program Executive Officer
DoD Healthcare Management Systems
U.S. Department of Defense

1. As part of the data center consolidation program, how many data centers do you currently have and is that number less or more then the estimate you projected in 2011? Please explain any difference between the current number and previous estimates.

   Answer. As the Program Executive Officer of DoD Healthcare Management Systems, this question is more appropriately directed to the Office of the Chief Information Officer. As such, I have shared your inquiry and their response follows.

   DoD currently has 1934 data centers. This is significantly greater than the estimate projected in 2011 of 772 data centers. This difference is due to the Office of Management and Budget's 2012 revised definition of a data center to include single servers to constitute a data center regardless of gross floor area. The prior DoD definition excluded facilities less than 1,000 square feet or those containing less than 15 servers. DoD also used to consider facilities on a single installation operated by a single organization as being single data center. Revising the definition included many more data centers in the inventory.

2. Please explain why your department has only partially implemented the 5 industry best practices recommended by GAO for software licensing management, and do you have plans to fully implement them?

   Answer. As the Program Executive Officer of DoD Healthcare Management Systems, this question is more appropriately directed to the Office of the Chief Information Officer. As such, I have shared your inquiry and their response follows.

   DoD is completing a DoD-wide inventory of selected software licenses to meet the Fiscal Year 2013 National Defense Authorization Act Section 937 requirements. GAO concluded that the selected software inventory plan that DoD CIO is executing meets statutory requirements (GAO-14-625, July 8, 2014). To improve upon DoD's current software license acquisition and management capabilities, DoD CIO is leading a

Department-wide effort directed by Fiscal Year 2014 National Defense Authorization Act Section 935 to develop a plan for implementing department-wide software license reporting for significant software investments. In developing this plan, DoD will look at budget requirements required for implementing software license reporting capabilities, analyze various options for an enterprise software license reporting process and consider how the Department could more fully implement the GAO recommendations for software licensing management. The plan will be supported by a high-level estimate of the cost and resources required and the potential benefits, as well as the budget milestones for initiating and executing the plan. This plan is due to the congressional committees by the end of Fiscal Year 2015.

3. Could the DOD's Chief Information Officer better serve the department and the taxpayers with increased authority over information technology projects?

   Answer. As the Program Executive Officer of DoD Healthcare Management Systems, this question is more appropriately directed to the Office of the Chief Information Officer. As such, I have shared your inquiry and their response follows.

   The DoD CIO is positioned with appropriate responsibilities and authorities to improve the operating efficiency, encompass portfolio management and program oversight and focus on delivering information technology (IT) solutions that support the mission and business activities in a secure and efficient manner.

   The Department has well-established policies, procedures and processes for the planning, programming, budgeting, execution (PPBE) and reporting of all DoD spending, and a mature acquisition process for the delivery of new technology that support the execution monitoring for Major Automated Information System (MAIS) programs. The DoD CIO influences the IT Budget through policy, guidance, data collection review, analysis, and programmatic recommendations through the Planning Programming and Budgeting phases of the process. IT execution is overseen and influenced through the DoD CIO's participation in both financial and acquisition review boards and financial management policies and procedures. DoD component CFO, CMO and CIO organizations implement further oversight of the Department's IT spending.

   The DoD CIO is a member of all executive boards that are involved with IT resource matters across the Department. Through these boards, the DoD CIO is able to review and monitor IT programs and resources and ensure that they are aligned to the Departments overall objectives and goals. Additionally, the DoD CIO's membership also provides the opportunity to review program performance and effectiveness as well as perform the fiduciary responsibility entrusted in the DoD CIO office.

4. Currently do service members (active and reserve component) receive electronic copies of their health records upon leaving the military? If not, does the Defense Department plan to make this possible for all separating and retiring service members? What further steps must occur to make this possible?

   Answer. Yes, Service members can currently obtain electronic copies of their health record through Blue Button.

   DoD Blue Button is hosted on TRICARE Online (TOL), and VA Blue Button is hosted on My HealtheVet. Using Blue Button, patients can electronically access their medical records through the TOL site on the internet. Once their records are accessed, patients can view their personal health data as well as download it in a human-readable format. These formats are based on industry standards, as adopted by the Department of Health and Human Services. After a patient has downloaded his or her Blue Button data, the patient can populate a Personal Health Record, share the health information with family members, caregivers, DoD/VA providers, non-DoD/VA health care systems or providers, or retain the data as part of his/her personal health care records.

   Today, Blue Button information can be securely accessed via personal computer, web browser, or on mobile devices using the internet browser's capabilities. Additionally, DoD and VA are jointly developing a pilot mobile access application to health record information with a common development framework, shared tools, synergy in development, and shared costs. This pilot will make available, in a mobile device tailored framework, some of the same information Blue Button applications in both Departments currently provide, which includes Progress Note Mapping; Joint Summary of Care and Mobile Blue Button; Pharmacy Refill; and Consults. It will also conform to DoD policies on network security and privacy.

   Having identified a need to make Blue Button more user-friendly and mobile, DoD and VA are working on an Office of the National Coordinator for Health IT (ONC)-promoted Blue Button enhancement, known as Blue Button DIRECT. Blue Button DIRECT will allow beneficiaries to identify trusted recipients of their health information, such as a third party payer or another healthcare provider, and input the recipient's "direct" address to send a Blue Button-generated-CCD using the Virtual Lifetime Electronic Record direct secure messaging protocol service.

Post-Hearing Questions for the Record
Submitted to the Honorable Christopher Miller
From Senator Tammy Baldwin
"A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce"
June 10, 2014

1. The Department of Defense (DOD) Healthcare Management Systems Modernization (DHMSM) Program will finalize its Request for Proposal (RFP) in the near future. As I stated in the hearing, it is my understanding that there will not be traditional demonstrations of the software for the doctors and nurses to see how the system could meet their needs and directly participate in selecting the system. Instead DHMSM has asked for screenshots to gauge usability. During your testimony, you referenced Federal Acquisition Rules (FAR) as a potential hindrance in DHMSM's ability to incorporate demonstrations into the RFP. Please explain how the FAR is constraining the ability to utilize demonstrations in this process.

   Answer. DoD is committed to pursuing a full and open competition to modernize our EHR systems. The DHMSM program is leading a fair and equitable competitive acquisition process, in full alignment with the FAR, that maximizes competition while avoiding unnecessary burdens on industry.

   The source selection process that we are employing on the DHMSM program will incorporate several methods to evaluate the effectiveness of the product proposed as a solution in response to our solicitation. We will use written proposals that explain the capabilities of the system within the DoD healthcare environment. Usability will be evaluated based on written proposals augmented by videos of selected, targeted areas of the proposed solutions. We are confident that we have a robust product evaluation plan. We are leveraging an off-the-shelf solution that will have been implemented in commercial healthcare facilities, thereby reducing the need for demonstrations. We are using an initial gate evaluation process, and then we will utilize trade-off analyses to make a best value determination.

   Due to our expedited schedule to deliver this EHR solution, we feel that the increased cost and schedule necessary for a demonstration in the evaluation process is not warranted.

2. My second area of concern is that the number of questions and the scoring in the RFP emphasize the underlying technology as being the most important thing. The technology is weighted above the functionality and features clinicians will need to deliver the best care and the vendor's track record of delivering similar systems on time and on budget.

   By not focusing enough weight on functionality and clinician's feedback on that functionality, there is a real chance of selecting a system that meets all your technology requirements, but has inadequate features and functions for the clinicians and the vendor may not be able to help make this successful. Are you considering adding additional questions about vendor track records and clinical features and functionality and ensure that those

success components are weighed those more heavily than the technology? If not, please explain why.

Answer. The relative order of importance in the current draft RFP establishes that the technical areas and the functionality required by clinicians are of equal importance. The effort associated with this contract will include integrating and interfacing with existing infrastructure, deploying across the worldwide enterprise, training, and other change management tasks. These varied tasks are equally important as the product that will be deployed. Additionally, we are leveraging an off-the-shelf solution that will have been implemented in commercial healthcare facilities, thereby mitigating risks.

The source selection process that we are employing on the DHMSM program will incorporate several methods to evaluate the effectiveness of the product proposed as a solution in response to our solicitation. We are using an initial gate evaluation process to determine the merit of service providers, and we will then utilize trade-off analyses that take into consideration technical factors (such as the use of open systems architecture to ensure future flexibility and adaptability), past performance and price to make a best value determination. Clinicians will be involved in each step of the evaluation process.

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