

STATEMENT BY

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DOD HEALTHCARE MANAGEMENT SYSTEMS

BEFORE THE

SENATE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON DEFENSE

April 9, 2014

Chairman Durbin and Vice Chairman Cochran, thank you for the opportunity to address the Subcommittee on Defense of the Senate Appropriations 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 (EHRs) 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.

The Department's modernization efforts, known as DoD Healthcare Management Systems Modernization (or DHMSM), will replace the current DoD legacy military health systems with industry leading capabilities. We are committed to acquiring an EHR system that will appropriately serve the men and women who serve us in the most efficient and effective manner. To this end, DoD has a dedicated Program Executive Officer (PEO) in myself, as well as a dedicated DHMSM Program Manager (PM), and we have also brought onboard acquisition professionals with recent business IT acquisition experience. In addition, DoD has dedicated a PM to oversee the Department's interoperability efforts and ensure the continued maturation of data exchange with VA and private sector providers. These organizational changes for this critical undertaking are representative of its steadfast commitment to the modernization and interoperability of our EHRs and is one of the many reasons for our recent progress.

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.

GOAL 1: PROVIDE SEAMLESS INTEGRATED SHARING OF STANDARDIZED HEALTH DATA AMONG DOD, VA, AND PRIVATE SECTOR PROVIDERS

In January 2013, the Secretaries committed both Departments to executing several data interoperability initiatives on an accelerated timeline to be completed no later than December 31, 2013. The Departments finished all of these key Accelerator projects scheduled for completion in FY2013 and will develop and deploy follow-on Accelerator initiatives during FY2014. The accelerators included improving and deploying the Janus Joint Legacy Viewer (JLV) to seven locations; expanding JLV use in two additional locations; upgrading DoD Blue Button; expanding Captain James A. Lovell Federal Health Care Center (JAL FHCC) capabilities; improving data federation between the Departments; improving the process of patient identity management within both Departments; and establishing the Medical Community of Interest as the network infrastructure and architecture for the DoD and VA medical community to have secure, real-time access to patient data. These efforts will continue to expand the level of interoperability among DoD, VA, and private sector providers.

The Department is furthering its interoperability efforts as it nears completion of a Health Data Sharing and Interoperability Roadmap that includes an acquisition and technical strategy based on functional requirements. Consistent with the FY2014 NDAA and in consultation with VA, is a comprehensive document that addresses health data sharing and interoperability across the life cycle, including data sharing / interoperability with VA, private healthcare providers, and patients. The efforts outlined in the Roadmap continue and improve upon the progress made by the previously completed Accelerator efforts to share standards-based, computable data among the Departments and private sector providers.

GOAL 2: 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 based on an Analysis of Alternatives which carefully considered options that would provide state-of-the-art capabilities to our clinicians and the best services to our soldiers, sailors, airmen, and Marines. This announcement directed the Undersecretary of Defense for Acquisition, Technology & Logistics (USD(AT&L)) to assume responsibility for "DoD health care records interoperability and related modernization programs." In September 2013, I was designated by the Undersecretary as PEO for the DoD Healthcare Management Systems (DHMS). DoD also established the 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. Based on current market research, a VistA-based solution will likely be part of one or more potential solutions proposed in response to the DoD solicitation.

A critical component to the requirements of the DHMSM acquisition is the need for open standards. Currently, DoD is employing a comprehensive open standards approach for its EHR and interoperability programs, which is accelerating the achievement of the President's open standards agenda. DoD efforts are capitalizing on the significant investment made under the Health IT for Economic and Clinical Health Act that accelerated EHR adoption through the Centers for Medicare and Medicaid Services' (CMS) EHR Adoption Incentive Program. The CMS program has successfully accelerated the availability of robust government certified interoperable commercial EHR products.

The use of all of these mechanisms creates a transparent, open standards approach that will ensure that the competitive EHR market place is better able to respond to the interoperability needs of the Departments. Additionally, this approach will enable private sector health information obtained by DoD and VA to be more easily federated with VA and DoD health information. Since more than 50 percent of health care in both VA and DoD is provided in the private sector, this open approach is critical to providing a comprehensive seamless patient health record. As part of the DHMSM strategy, the DoD intends to have a robust testing strategy that ensures the system meets operational requirements for effectiveness, suitability and interoperability with VA and other private sector providers.

These many requirements for the DHMSM acquisition will ensure an efficient and effective EHR system. Subsequently, these demands for the acquisition have led to the DHMSM program establishing an aggressive, yet feasible schedule through which we are seeing early results. Since October 2013, the DHMSM program has conducted three well-attended and highly anticipated Industry Days and released its first of three planned draft Requests for Proposal (RFPs) on January 29, 2014. The final RFP release is expected no later than the fourth quarter of FY2014. Additionally, DHMSM representatives have met with Intermountain Healthcare, the Children's Hospital of Wisconsin, Kaiser Permanente, and Presence Health to open dialogue regarding acquisition, development, and sustainment of their EHR systems. These conversations with Healthcare and other health IT industry leaders provides valuable insight and lessons learned that will improve our acquisition strategy.

To maintain success on our timetable and to reach Initial Operating Capability in 2016, as this committee has requested, DoD needs the release of withheld FY2013-2014 funds. Any disruption of program planned events and milestones due to withheld funds causes a domino effect which will negatively impact DHMSM and all interoperability efforts with VA and private sector providers. The DoD has held regular discussions with this committee to address this request and alleviate these funding constraints, but the window for maintaining our current successes is fast closing.

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. 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 Cost Assessment and Program Evaluation Independent Cost Estimate will be developed to support contract award.

IPO WAY FORWARD AS A CLINICAL AND DATA STANDARDIZATION LEADER

On December 20, 2013, the DoD/VA Interagency Program Office (IPO) delivered its Fiscal Year (FY) 2013 Annual Report to the appropriate congressional committees and outlined this 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.

The Departments also signed a new charter for 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. Under its new structure, IPO will support the Departments' and Office of the National Coordinator (ONC) endeavors to adopt national standards, specifications, and certification criteria to improve health IT and its application.

National standards make it possible to increase the level of data exchange and computability. These standards serve as a common language for DoD, VA, and private sector data which will comport and format the information shared. IPO's partnership with ONC to pursue national standard provides the vital link which makes DoD and VA data interoperable with that of the private sector, and which provides the Departments EHR systems the flexibility to respond to the evolving healthcare marketplace.

CONCLUSION

Senators of the committee, DoD's collective efforts with Congress over the past six months have been met with the utmost dedication. Since October 2013, I have engaged this committee and its House counterpart three times, the House Armed Services Committee six times, the Senate Armed Services Committee four times, the House Veterans Affairs Committee twice, and the Senate Veterans Affairs Committee three times. Further, we have met the first three of the NDAA's requirements and are on track to meet the remainder throughout the year. We recently briefed this committee on our expectations for completing a DHMSM plan for expenditure. IPO delivered its FY2013 Annual Report ahead of schedule and has maintained its statutory and courtesy quarterly briefings to Congress. IPO, DoD, and VA have remained thoroughly involved with Congress's GAO inquiries to track 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.