

STEPHEN W. WARREN, ACTING ASSISTANT SECRETARY, OFFICE OF INFORMATION AND TECHNOLOGY, DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF STEPHEN W. WARREN ACTING ASSISTANT SECRETARY FOR THE OFFICE OF INFORMATION AND TECHNOLOGY DEPARTMENT OF VETERANS AFFAIRS BEFORE THE SENATE COMMITTEE ON VETERANS' AFFAIRS March 25, 2009

Chairman Akaka, Ranking Member Burr, and Members of the Committee, I would like to thank you for the opportunity to testify today on the use of information technology (IT) to enhance claims processing within the Department of Veterans Affairs (VA), as well as the use of data from the Veterans Health Information Technology and Architecture (VistA), to assist in the processing of disability claims. I want to start by saying that these are very important issues that affect the lives of all Veterans and their entitlement to the richly-deserved benefits and services VA provides for disabling injuries and illnesses they incurred while serving our Country. Secretary Shinseki has charged us with being the tip of the spear in the transformation into a 21st Century VA, and we will succeed in this mission. There are many issues that play a role in this transformation, you have asked about, and I will specifically address IT issues related to the implementation of the new Post-9/11 GI Bill and how IT relates to the current delivery of education benefits, as well as the challenges of delivering benefits in the future.

Post 9-11 GI Bill Implementation

On June 30, 2008, the Post-9/11 Veterans Educational Assistance Act was signed into law. The Act established in a new chapter 33 of title 38, United States Code, a new program to provide educational assistance to Veterans, service members, and members of the National Guard and Selected Reserve serving on active duty in the Armed Forces on or after September 11, 2001. This is commonly referred to as the Post 9-11 G.I. Bill. The legislation provided that the new provisions of law would become effective on August 1, 2009. In furtherance of the new program, VA's Office of Information and Technology (OI&T) was appropriated \$20 million in 2008 supplemental funding to begin the development process. An additional \$35 million was transferred from VBA's General Operating Expenses (GOE) Chapter 33 supplemental funding to plan and develop interim and long-term solutions to facilitate the delivery of the Post 9-11 GI Bill benefits. In FY 2009, Congress further supported benefits administration IT with \$50 million in the Americans Recovery and Reinvestment Act, of which \$48.5 million will fund implementation of the new education benefit.

In order to insure our ability to implement the new program and make benefit payments beginning August 1, 2009, we are currently developing an interim solution. The interim solution consists of a manual process for claims processing augmented by Information Technology (IT) tools, and is comprised of three components. These three components are the Front End Tool (FET), the Back End Tool (BET) and modifications to several existing systems applications. The FET will be implemented in three Phases. Phase I of the Front End Tool (FET), was successfully deployed on 9 March, 2009 delivering the capability to accept applications and electronically store eligibility and entitlement information that claims examiners enter manually. Phase 2 will

add specific data elements for processing claims under the transfer of entitlement provision of the law, provide the capability to perform payment calculations for school enrollment periods, and contain additional field validations. In addition, implementation of Phase 2 of the FET will also include deployment of the BET, which will provide finance and accounting processes to generate actual payments. Phase 3 will add the capability to perform calculations for aggregating service periods and determining entitlement amounts and benefit level. The BET is based on the existing Benefits Delivery Network (BDN) which is currently being modified to address payment processing for Chapter 33. In total, ten existing systems applications will be modified to support the claims and decision-making process. This interim solution will be in place until a more robust long-term solution is developed.

VA's Long Term Solution will provide an end-to-end, seamless integrated claims processing system. The long-term solution will utilize a rules engine, tight data integration strategies, and implementation of a well-defined Service Oriented Architecture (SOA). Once the long-term solution is deployed, it is envisioned that other Education Service benefits (including Chapters 30, 1606, and 1607) and systems will be modernized and migrated to the new Chapter 33 infrastructure. This will ensure that all Veterans, from the Generation of WWII Veterans to the latest generation now beneficiaries of the Post 9-11 GI Bill, will benefit from this technological advancement.

OI&T is aware of the risks associated with this project and has developed a cross-functional Integrated Project Team (IPT) as one mitigation strategy. The team includes participants from Education Service, OI&T, Office of Resource Management (ORM), and the Office of Field Operations (OFO). On-site members of the IPT are co-located in the Chapter 33 "Collaboration Room" to foster synergy and teamwork. This type of environment allows the team to participate in face-to-face meetings, to address change control, business requirements, testing, and optimization of other day-to-day project activities.

In keeping with the our commitment to being a results driven organization, an outside consultant was hired to conduct a "Quick-Look" study to validate our plans and procedures for executing this large new program of educational benefits. The "Quick Look" study, completed on February 27, 2009, validated VA's current approach and business processes and also highlighted eight additional risk factors for the VA to consider. In response to one of these highlighted risks, the Secretary appointed a single executive to whom all personnel involved in Chapter 33 will report. Mr. Keith Wilson, Veterans Benefits Administration, is the lead in this role. This single executive will ensure that critical decision-making actions are performed to meet the tight timeline for meeting the GI Bill's requirements. The Secretary has also accepted the additional highlighted risks. The "Quick-Look" study also validated that the Chapter 33 project was considered "high risk" from the moment of enactment and will remain as such due to the compressed timeframe and volume of work that needs to be accomplished.

OI&T, in coordination with VBA, has also employed a tailored and responsive acquisition

strategy. The interim solution will be developed "in house" using existing development resources. For the long-term solution, VA is using an Inter-Agency Agreement with Space and Naval Warfare Systems Center Atlantic (SPAWAR.) Initially, SPAWAR will develop and host the solution in their data center in New Orleans, Louisiana. Once the solution is deployed, VA intends to transition the infrastructure to the VA environment.

I would also like to take this opportunity to highlight OI&T's key milestones, which we established in order to meet the August 1, 2009, target date. As stated earlier, we recently completed our Eligibility Production deployment milestone on March 9, 2009, enabling us to deliver the capability to accept applications and electronically store eligibility and entitlement information that claims examiners enter manually. In addition, 4 of the 14 respective supporting system modifications were made in production. Our next milestone is April 10, 2009, at which time we envision the lockdown of requirements for the Supplemental Claims Systems, needed to complete the development of the third phase of the Front End Tool in order to process supplemental Ch 33 educational claims.

Completion of the Awards and Enrollment System in Production is scheduled for July 6, 2009, our target date for the deployment of award calculations; as well as the deployment of additional system modifications. During this same time, we envision the completion of the BET, which will provide finance and accounting processes to generate actual payments. Achieving this milestone will assure that we have the systems in place to meet the August 1, 2009 effective date. Our final interim solution goal, targeted for September 17, 2009, is to complete the FET Phase 3, which will support Chapter 33 supplemental claims processing. Implementation of this final phase will allow claims examiners to process any changes that a Veteran or his or her beneficiary may make to his or her current Chapter 33 claim.

Paperless Initiative

I would next like to address VA's efforts at leveraging information technology to improve the timely delivery of Veterans' benefits. As the President, and Secretary have repeatedly stated, our charge is to transform this organization into a 21st VA. The Office of Information and Technology (OI&T) is a critical component of that transformation, and is collaborating with VBA in the development of a comprehensive strategy to enable the achievement of their target business model. The operational concept of the Paperless Delivery of Veterans Benefits Initiative (Paperless Initiative) is to employ enhanced technology platforms to support Veteran-focused end-to-end benefits delivery, to include imaging, computable data, electronic workflow capabilities, and enterprise content and correspondence-management services. The initiative will integrate with VBA's core business application and modernized payment system, the Veterans Service Network (VETSNET), as well as existing and planned infrastructure(s).

In response to VBA's needs, OI&T is developing a technology strategy to ensure VBA's mission needs are met and that appropriate enterprise architecture is employed. An existing application, Virtual VA, is currently being used to support some paperless processing in the Compensation and Pension business line. It has also enabled OI&T and VBA to identify valuable requirements and lessons learned for organization-wide paperless processing. The millions of electronic documents stored within Virtual VA will also be migrated into the new paperless system. This

vast repository of historical records, as well as the lessons learned through our experiences with Virtual VA, would not only assist our own business practices, but it will have a direct, and quantifiable positive effect on the Veteran.

Core elements of the Paperless Initiative include: Development of VBA-wide services to enable common methods for electronically and securely exchanging data with Veterans, external agencies, and other systems; development of operating standards for doing business in an electronic fashion, to include receipt and transformation of paper to electronic data, routing of work, and workload management; and integration and standardization of VBA business processes, to provide consistent, easy-to-use, and reliable services to enhance the Veteran self-service experience. By focusing on the Veteran needs as a people-centric organization, we have established a benchmark for success - the satisfaction of our client, the Veteran.

In September 2008, a Lead Systems Integrator contract was awarded to Electronic Data Systems (EDS). The Scope of Work of the Lead Systems Integrator Contractor (LSIC) is to assist VA with the development of an overarching technical strategy and elicit business requirements for the Paperless Initiative. These key deliverables will enable OI&T to begin specifying the supporting technical architecture and business application to support Veteran-centric end-to-end paperless benefits delivery. Additionally, an Independent Verification and Validation (IV&V) contract was awarded on February 11, 2009, to Innovative Management Concepts (IMC). These IV&V contractor services will provide independent quality assurance, testing, and review and monitoring of LSIC and future Application Developer Contractor (ADC) deliverables and performance. The ADC, currently scheduled for award by November 2009, will be responsible for building the end-state solution that will use the VA IT system spiral development life cycle consisting of multiple technical data release packages (TDPs). These packages will include:

- an enterprise portal providing an on-line interface for Veterans and employees; data integration providing the capability to access an accurate, timely, consolidated view of data regardless of the underlying system(s)
- imaging which will provide the service to securely capture, store, search, and retrieve images of forms, correspondence, medical records and other types of records;
- a "forms" service which is the mechanism to access, pre-populate and submit applications via the portal; correspondence functionality to generate, print, send, and record delivery of template-based correspondence including merged veteran-specific data;; and a "messaging and workflow" service to manage the flow of data, images, and work items between users and underlying system components.

Finally, Mr. Chairman, I would like to highlight how the utilization of data from the Veterans Health Information Technology and Architecture (VistA) improves the processing of Veteran disability claims. The business application used by VBA to navigate and retrieve clinical data within VistA is called the Compensation and Pension Record Interchange (CAPRI). Online access to medical data housed in VHA's VistA allows VBA personnel to obtain necessary medical information through the Federal Health Information Exchange and Bidirectional Health Information Exchange, or FHIE and BHIE. These exchanges allow the individuals responsible

for determining a Veteran's eligibility for benefits to seamlessly obtain relevant and appropriate data from the Veteran's online health record with little to no delay.

CAPRI also provides access to some Department of Defense (DoD) medical records through integration through the FHIE framework. CAPRI was nationally deployed during fiscal year 2000, and enables users to simply "point and click" to bring necessary information onto their desktops. Since its deployment, the application has been repeatedly enhanced, as new categories of clinical data in VHA and DoD became available.

Mr. Chairman, in closing, I want to assure you that we remain steadfast in our efforts to continuously optimize any and all information technology improvements as we strive to improve our Veterans' benefits IT environment. Our goal is that these efforts, coupled with VBA's partnership and the support of private industry, will greatly improve the technologies used to support the business processes that will significantly enhance the delivery of benefits to our Nation's heroes. Thank you for your time and the opportunity to address these issues. At this time, I would be happy to answer any questions you may have.