

Larry E. Craig, Chairman, Opening Statement

Hearing of the Senate Committee on Veterans' Affairs

?Information Technology Management by the Department of Veterans Affairs: Is it ready for the 21st Century??

Opening Statement by Larry E. Craig, Chairman

October 20, 2005

Good morning ladies and gentlemen. The Committee on Veterans' Affairs meets this morning to receive testimony on VA's efforts to reorganize both the internal management structure of its Information Technology programs and the financing of its IT development projects. This is a critically important topic for oversight by this Committee.

I say in all seriousness to my colleagues that VA's ability to provide quality health care, timely and accurate benefits decisions, and compassionate readjustment counseling for our veterans in the future rests largely on its ability to modernize its IT infrastructure. And tomorrow's modernization requires strong, qualified, rigorous management today.

I want to stress that this is not a hearing intended to chide VA for failures in its IT program management. In fact, VA has had numerous successes in its IT programs that I think we can all be proud of. For example, I don't think there is a person in the health care industry that is not overwhelmed by ? and frankly jealous of -- VA's Electronic Health Record.

Just recently, during the events of Hurricane Katrina we saw first hand how important that Electronic record can be for our veterans. That success did not go unnoticed to even Time Magazine, which recently wrote in a story about medical care during Hurricane Katrina ? throughout the chaos of Katrina, doctors treating displaced patients in the Veterans Affairs system have had access to information that those outside the VA are dreaming of: up to 20 years of lab results and six years worth of x-rays, scans, doctors' notes, and medication records, available for all 5.2 million active patients?. That is truly a remarkable achievement.

Still, there have been some shortcomings in the management of VA's IT projects. Most recently, there was a failure of the Core Financial and Logistical System VA attempted to implement at the Bay Pines Medical Center in Florida. In that case, taxpayers spent hundreds-of-millions of dollars and VA spent thousands of man hours. Still, at the end of the day taxpayers and VA had nothing to show for it. Clearly Congress cannot continue to fund failures, especially one on that scale.

To that end, the Senate, through the Appropriations bill for MilCon/VA, recently took actions to protect taxpayers from large scale project management failures. The FY 2006 MilCon/VA Appropriations bill places VA's Information technology budget under one person. Further, and perhaps more importantly, the bill withholds VA's IT project money for the new Health-e-Vet project until VA reorganizes its IT management to make certain that the project is run by a well-qualified IT project manager.

Changes, such as this one, will have consequences large and small all across the agency. And it is important that this Committee understand those consequences and any trade-offs that may come from such a move. As has been pointed-out to me on more than one occasion, VA is one of the largest agencies in government. A change in management structure that will effect over 200,000 people must be done in a thoughtful manner and implemented correctly.

So, the question before the Committee today that we hope to have answered by our witnesses is a very simple one: How can we ensure that as the department undertakes very costly projects to both upgrade its IT programs and build newer programs, we see more successes, like those in the Electronic Health Records system and less very expensive failures, such as the one that took place with Core FLS.

To answer that question, and perhaps many others, we will hear from witness from VA, the Government Accountability Office and the Information Technology Association of America.

But, before I call the witnesses, I'd like to turn it over to my Ranking Member, Senator Danny Akaka from any comments he might have.