

## Veterans Affairs To Adopt DoD's Electronic Health-Records System (DEFENSE ONE 05 JUN 17) ... Frank Konkell and Eric Katz

The Veterans Affairs Department will implement the same electronic health records platform as the Defense Department, according to an announcement today from Secretary David Shulkin. In a press release, Shulkin said he took the highly unusual step of signing a "determination of findings" in order to issue a solicitation directly to Cerner Corp., which together with Leidos in a \$4 billion contract developing DOD's MHS Genesis platform. "Because of the urgency and the critical nature of this decision, I have decided that there is a public interest exception to the requirement for full and open competition in this technology acquisition," Shulkin said in a statement. "The [determination of findings] notes that there is a public interest exception to the requirement for full and open competition, and determines that the VA may issue a solicitation directly to Cerner Corporation for the acquisition of the EHR system currently being deployed by DOD, for deployment and transition across the VA enterprise in a manner that meets VA needs, and which will enable seamless healthcare to Veterans and qualified beneficiaries." Shulkin said VA wants to award the contract in three to six months, though the dollar value of the solicitation is not yet clear. The secretary noted, however, the lack of competition will allow VA to quickly "get to details on how much money will be required, what the length of the process is and how we involve other companies and thought leaders to make sure we do it right." Shulkin said VA, which has approximately 9 million beneficiaries, put off the decision on whether to modernize its existing VistA system for too long, a statement he made shortly after being confirmed. He added veterans could not afford to wait another two years for a procurement. In the announcement, Shulkin stipulated VA "will not simply be adopting the identical EHR that DOD uses," but will be on a "similar Cerner platform." In other words, VA's solution will be an integrated product that uses the same platform DOD is building. DOD's health records systems have begun rolling out at some of its more than 1,200 sites and could be worth as much as \$9 billion over 18 years. "This is pretty amazing," said Brian Friel, founder of Nation Analytics. "VA and DOD have been trying to figure out ways to work together for more than a decade. In one fell swoop, they are now not only going to be working together, but be on the same system." VA has been "debating electronic health record systems" for 17 years, Shulkin told reporters at the White House briefing. Lawmakers have been critical of DOD and VA, both of which have wasted billions over the years trying to make their individual health records systems interoperable. DOD commissioned IT contractor Leidos to integrate the commercial health records platform developed by Cerner, helping assist in the move from its Armed Forces Health Longitudinal Technology Application, better known as AHLTA, to MHS Genesis. Rep. Phil Roe, chairman of the House Veterans Affairs Committee, said he was "encouraged" by the decision and promised to "closely monitor" the process going forward. "Despite spending more than a billion dollars in hopes of achieving interoperability, VA's antiquated IT systems have stood between veterans and the care they deserve for far too long," Roe said. Congress will have plenty more opportunities to weigh in on VA's decision. Shulkin told reporters VA will require lawmakers to appropriate more than the \$4.1 billion currently requested for IT at VA, in part because 70 percent of those dollars are spent on the operations and maintenance of old systems. Shulkin credited President Donald Trump's "mandate to do things differently" as one of the primary reasons he opted to sole-source the EHR contract. Shulkin also told reporters the newly created White House Office of American Innovation acted in an advisory capacity on the matter, though he insisted the contract was "fully my decision to make." VA's potential sole-source award to Cerner likely means the agency will either hold a competition for integrators or issue a direct award to a contractor

from its next-generation technology contract. VA has spent nearly \$1.5 billion on IT services from Leidos since 2011 in that vehicle, which includes Booz Allen Hamilton, CACI and nearly two dozen other IT contractors. The size and scope of VA's sole-source contract, likely in the billions of dollars, could entice protests from competing contractors. However, instances of companies protesting sole-source contracts awarded under the public interest exception are rare. The Government Accountability Office first encountered such a protest in 2010, when Sikorsky Aircraft Corp. claimed the U.S. Navy limited the competition for a number of Russian-made Mi-17 helicopters that were to be delivered to the Afghanistan Air Force. Sikorsky took issue with the Navy secretary's sole-source public interest justification, which ultimately claimed "no other multipurpose helicopter" could meet the Navy's time-sensitive mission and that a switch to a different manufacturer could would take a "minimum of three years." In the landmark case, GAO sided with the Navy, dismissing Sikorsky's protest. The only other protest of a sole-source contract issued under the public interest exception occurred in 2013. GAO upheld the protest, filed by Asiel Enterprises, finding the U.S. Air Force's determination of filings didn't match its contracting actions.