

**STATEMENT BY
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**BEFORE THE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES**

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Introduction

Mr. Chairman and Members of the Subcommittee, it is my pleasure to testify on behalf of the Department of Veterans Affairs (VA) concerning the readiness of our information systems for the Year 2000. I am accompanied today by the Veterans Health Administration (VHA) Chief Information Officer, Mr. R. David Albinson, and the Veterans Benefits Administration (VBA) Chief Information Officer, Mr. Newell E. Quinton.

As VA's Chief Information Officer (CIO), I have established close working relationships with VA's Administration-level CIOs to lead our efforts in becoming Year 2000 compliant—ensuring our information systems function correctly when using dates beyond 1999. We are working vigorously to make sure VA's information systems will provide uninterrupted service supporting the full range of veterans benefits delivery and medical care.

I appreciate the opportunity to appear before you today to bring the Subcommittee up-to-date on steps we are taking and our progress in resolving Year 2000 problems. In pursuit of our solution, we are following the standardized, governmentwide Year 2000 best practices phases established by the Office of Management and Budget (OMB) in conjunction with the Federal CIO Council Subcommittee on Year 2000. Let me provide a brief definition of each phase:

Assessment - Refers to determining the scope of the problem by creating an inventory of applications and deciding which ones to change, replace or eliminate.

Renovation - Concerns the modification, replacement or elimination of an application to make it Year 2000 compliant. Year 2000 compliant means the referenced application can process dates beyond 1999.

Validation - Refers to the validation of new or changed code for date handling and functionality. Completion of this phase means that unit testing and management approval have all been completed, validating the Year 2000 changes.

Implementation - Completion of full system testing and the placement into use of the revised systems. Applications and systems can process dates beyond 1999 properly and are in production use.

VA's strategic approach is to make our existing mission-critical systems compliant in their current environment. We have identified our mission-critical systems, prepared detailed plans and inventories of our mission critical systems, and assigned levels of priority to the applications supporting these mission-critical systems.

Accountability and Monthly Year 2000 Reporting Requirements

As VA's CIO, I am responsible for overseeing and ensuring the completion of the Year 2000 project for all VA systems. The VBA CIO; VHA CIO; and senior information technology managers in the National Cemetery System (NCS) and staff offices are responsible for developing specific plans and managing the projects within their respective jurisdictions.

Monthly Report

On March 7, 1997, my office established a detailed internal report to track our progress in addressing Year 2000 problems. This monthly report, modeled after OMB's governmentwide Year 2000 quarterly report, measures the progress of each VA administration for each of the established phases. The report includes quantitative measures that are based on the percentage completed for each OMB phase. We are measuring the progress of each individual application against the four phases. In addition to this formal reporting mechanism, the Administration-level CIO's and their Year 2000 program officials meet with me monthly to provide status reports addressing their successes and progress toward meeting the milestones presented in their plans.

Monitoring monthly progress reports from each organization provides my office with early notice should an organization fall behind schedule. This early notice gives me the ability to recommend to VA's Chief Operating Officer, the Deputy Secretary, necessary redirection and refocusing of appropriate resources to bring an organization back on schedule. We are committed to ensuring that veterans receive uninterrupted services up to and beyond January 1, 2000.

Prioritization of Applications

We have prioritized our applications to ensure Year 2000 impacts will not adversely affect the delivery of benefits or medical care to our veteran population. We have established a three-tiered structure, providing a common VA-wide priority ranking for VA's applications inventories.

Level I - Business Priority Systems: These are systems that will directly impact the delivery of medical care and benefits to veterans or are essential to the Department's mission.

Level II - Internal Support Systems: These include internal agency systems used to improve timeliness and efficiency of administrative processes; operations support; or producing periodic reports. These are systems whose failures would not be deemed as having a direct, adverse effect on veterans.

Level III - Discontinued Systems: These are systems scheduled for discontinuation, prior to the year 2000. They may include systems scheduled for elimination because there is no further legislative requirement or program need to maintain them.

VA Management Actions to Assure Year 2000 Compliance

VA has been utilizing the interim Federal Acquisition Regulations (FAR) Year 2000 compliance language since it was issued in January 1997. Prior to that, we used the language recommended by the Federal CIO Council Subcommittee on Year 2000. For example, VA's Procurement of Computer Hardware and Software (PCHS) contract, our major information technology equipment and software contract, contains the language recommended by the Federal CIO Council Subcommittee on Year 2000. The language developed by the Subcommittee on Year 2000 was incorporated into the interim FAR.

In October 1996, VBA and the Austin Automation Center began sending letters to commercial-off-the-shelf (COTS) providers concerning individual products' Year 2000 compliance. Vendors are being requested to certify that their products are compliant. Since these COTS products are also in use within VHA, the information is being shared with VHA. VHA has conducted an initial survey of COTS products at VHA facilities. VA will also utilize and share information with the governmentwide COTS compliance web page under development by the CIO Council Subcommittee on Year 2000.

VA Year 2000 Readiness Review

In addition to the monthly reports, my office has plans to conduct independent Departmental reviews similar to our Year 2000 Readiness Review last year of the major VA organizations. A copy of the Year 2000 Readiness Review was provided to the Subcommittee in February 1997. We

are planning a follow-up independent review during the first quarter of fiscal year 1998. During the first review, over 80 information systems professionals and managers were interviewed in Washington, DC, and various field locations, including the Austin Automation Center (AAC), Benefits Delivery Centers, and medical centers. We independently assessed our readiness, plans, testing methodologies, contingencies, inventories, and cost estimates.

Year 2000 Project Offices

Both VBA and VHA have established Year 2000 Project Offices that report directly to their organization's CIO. These Project Offices provide for the planning, guidance, oversight and technical support for their organization's Year 2000 efforts.

VA's Status in Preparing Our Systems for the Year 2000

I would like to take this opportunity to update the committee on our organizational progress.

National Cemetery System

The information systems supporting NCS are fully Year 2000 compliant. Non-compliant NCS systems were replaced in December 1996.

Veterans Benefits Administration

VBA has redirected its efforts and made Year 2000 its number one organization priority. VBA has completed the assessment phase of its systems. VBA's plan is to complete the renovation phase by November 1998, validation by December 1998 and implementation by June 1999.

VBA has recently awarded four task orders to bring contractor support on board. Three of these task orders are for renovation of applications and one is for project oversight. We have also amended an existing task order to increase the level of Year 2000 support to our project managers. These efforts have been part of our planning for several months.

The Compensation and Pension application will use contractors for renovation. In this application, making legislative program changes and preparing for the annual cost of living adjustments requires much time and effort. With the contractors focusing on the year 2000 renovation, our staff can proceed with the complexities of implementing legislative changes without interruption.

We have also taken the contractual actions necessary to acquire a compliant Honeywell 9000 platform for Year 2000 testing. As you know, the Honeywell

supports our Compensation, Pension, Education and Vocational Rehabilitation applications.

As of May 31, 1997, 38 percent of VBA's applications have been renovated and made Year 2000 compliant. Another 5 percent of their applications are in testing. Therefore, over the next few months, the percentage of compliant applications will continue to rise. Every application has been addressed and VBA has a fix solution and a planned fix date for all of its applications.

Veterans Health Administration (VHA)

VHA completed the development of its comprehensive Year 2000 plan on April 30, 1997.

VHA's goal is to complete its assessment, including the nationwide assessment of biomedical equipment at VA medical facilities, by January 1998. VHA's plan is to complete any necessary renovation by July 1998, validation by January 1999 and implementation by October 1999. As of May 31, 1997, 23 percent of VHA's **Veterans Health Information Systems and Technology Architecture (VISTA)** applications are compliant. This percentage represents **VISTA** applications scheduled for discontinuation.

VHA Year 2000 Plan

VHA's Year 2000 plan addresses areas beyond information systems, such as biomedical equipment currently in use at VA's medical facilities. The plan provides details on the role of VHA's Year 2000 Project Office in supporting and assisting VHA's 22 Veterans Integrated Services Network (VISN) offices in their efforts to achieve compliance throughout the medical facilities in their networks.

Biomedical Equipment

The potential Year 2000 impact on biomedical equipment is a national issue, affecting both the private sector and federal health care communities. VA, along with other agencies and the private health care community, are consumers of biomedical equipment; we do not regulate the industry.

VA recommended to OMB in January that an interagency committee, chaired by the Department of Health and Human Services (HHS), be established to deal with this issue. The first meeting of the committee was held on May 9, 1997, at which a general course of action was developed. The Food and Drug Administration (FDA) in their role as regulators of medical devices and biomedical equipment, such as pacemakers and defibrillators, will ensure that these devices are Year 2000 compliant.

We will coordinate a public awareness campaign with HHS as it particularly affects veterans with medical devices in their bodies or in use in their homes. Additionally, our patients will be advised as to the status of medical center equipment when the work of the HHS committee has identified potential problems.

VA's Austin Automation Center (AAC)

We are especially proud of the progress we have made at the AAC considering the size and complexity of its computer systems. The AAC provides VA-wide information technology support to all components within the Department. As of May 31, 1997, 74 percent of the applications they support have been renovated and are Year 2000 compliant. The AAC plan is to have all systems renovated by September 1998, validated by October 1998, and fully implemented by September 1999.

Summary

VA organizations have prepared detailed systems inventories, and developed testing methodologies, individual project plans and contingencies. We are monitoring our progress for each application supporting our mission-critical systems. We are also monitoring such key elements as estimated lines-of-code, number of modules, operating systems and commercial-off-the-shelf (COTS) packages.

We will continue to work with the Federal CIO Council Subcommittee on the Year 2000 and continue sharing information among Federal agencies. We will continue to work with the HHS's chaired biomedical committee to resolve potential issues with biomedical equipment.

We are confident that VA will be ready for the coming millennium. VA fully intends that its information systems will continue to provide uninterrupted support to our programs and ensure that we provide the highest quality benefits delivery and medical care to our Nation's veterans and their families. I thank you for this opportunity to present our progress in preparing for the Year 2000. Mr. Albinson, Mr. Quinton and I would be happy to answer any questions you might have.