

## E-ALERT | Government Contracts

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### DoD To Consider Purchase of a New Health IT System

On [May 21, 2013](#), Defense Secretary Chuck Hagel asserted that the Department of Defense (“DoD”) will carry out a full and open competition to acquire a new health IT system to achieve electronic health record (“EHR”) modernization and integration with the electronic health records managed by the Department of Veterans Affairs (“VA”). This decision to conduct a competition means that DoD will not necessarily be adopting the current VA system to effectuate integration of the two agencies EHR, but instead will be considering all options and potentially selecting a new system.<sup>1</sup> Secretary Hagel reached this decision after a 30-day review of the current progress of the DoD-VA integrated electronic health record program.

DoD’s decision marks the next step in what has already been a five year effort towards EHR integration. In 2008, Congress first ordered the DoD and the VA to create a seamless system of EHR that would follow troops from recruitment through the rest of their lives. President Obama announced the integrated EHR, or iEHR, project in 2009; it was projected to have a preliminary rollout in 2014 and be fully implemented by 2017.

After bringing together clinicians from both the VA and the DoD to determine what type of system they would like to see, the agencies established what they believed would be the architectural backbone for the new program into which all other pieces of the system would connect: the iEHR’s Enterprise Service Bus. A contract for this baseline system was initially awarded to ASM Research Inc. with a contract ceiling of \$102.6 million. This contract was abruptly terminated due to a possible organizational conflict of interest, and the contractor was replaced by Harris Healthcare Solutions.

However, the VA and DoD recently decided to halt plans to create a joint EHR system, and instead decided to focus on existing “core technology” as a starting point. The two agencies would work to make the data from those existing systems more interoperable. A senior defense official explained to the House Committee on Veterans’ Affairs that this decision was based in part based on two concerns: uncertainty created by sequestration-mandated and other budget cuts, and the need for a more efficient and less costly approach.

Since the joint EHR system plans were halted, VA has continued to utilize and work to modernize its existing VISTA system, and some lawmakers have pressed the DoD to embrace VISTA as its new technology as well. VA even released a [white paper](#) highlighting the benefits of VISTA in response to DoD’s statement that it would research other health IT systems. Secretary Hagel has indicated that some of the benefits that the VA obtains from VISTA may not apply to the DoD, and, as stated above, DoD has decided to consider a number of health IT systems, including VISTA, on principles of fair and open competition. Thus, while the DoD will continue to work with the VA to achieve interoperability, industry can likely expect a formal request for proposals (RFP) soon for the DoD’s modernization of its own EHR system, including its pharmacy, lab, and immunization systems.

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<sup>1</sup> The DoD currently uses Armed Forces Health Longitudinal Technology Application, or AHLTA, while VA uses the Veterans Health Information System and Technology Architecture, or VISTA.

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