

Testimony
The Department of Veterans Affairs
Patient Financial Services System (PFSS) Project

Before the
House Committee on Veterans Affairs
Subcommittee on Oversight and Investigations
335 Cannon House Office Building

Testimony of
Mr. Edward C. Davies (Ted), Managing Partner
Unisys U.S. Federal Government Group
Accompanied by Mr. Joseph Macies, Partner

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Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to address the subcommittee today on Unisys' role as the prime contractor for the Department of Veterans Affairs Patient Financial Services System (PFSS) project.

As you know, PFSS is a congressionally-mandated pilot in Veterans Integrated Service Network (VISN 10). Its objective is to obtain significant improvements in the timeliness and quality of billing and increase collections of first and third party claims by implementing industry proven, commercial off-the-shelf (COTS) financial billing and accounts receivable software in the Veterans Health Administration (VHA), and by integrating it with the VistA legacy environment.

We are confident that the software product chosen by Unisys in a fly-off between the most qualified COTS vendors will meet VHA's patient management and patient financial requirements. The Unisys team continues to be fully committed to the success of the PFSS Pilot at all levels. We understand the program's strategic importance and are committed to a partnership with the VA to ensure we achieve the results desired by both VA and Congress. We have also seen strong VA executive commitment to this program over the past 3 months and believe the program is "on track" for success.

My testimony today will cover the following topics:

- Achievements since the last hearing, March 17, 2004
- Key Milestones
- PFSS Program and Technical Solution
- Top Risks and High Level Mitigation Strategy
- What we need from Congress to be successful
- Success strategies

Achievements since the last hearing, March 17, 2004

At the March 17, 2004 hearing, I testified that Unisys and the VHA Office of Information (OI) teams had analyzed gaps between the current systems and the target future flows to identify barriers to success. At that time, Unisys stated that these issues were the focus of ongoing discussions among Unisys, CBO, OI and VISN 10. These discussions were supported by intensive requirements analysis and as a result, took a few months to complete. A significant accomplishment of the past few months is the completion of these discussions and the complete agreement by all parties on the required changes to VistA, as well as the approach, roles and responsibilities and schedule for pilot implementation. We have also made significant progress on other fronts.

The VA has identified a single senior executive, Mr. Ken Ruyle, Chief Business Officer, (CBO) as the single point of contact, having authority and responsibility to address all PFSS related issues. In short, Mr. Ruyle is "in charge". The Unisys Executive operating

as the single point of contact, authority and responsibility to address all PFSS related issues continues to be Mr. Joe Macies. Mr. Macies is a certified Unisys partner.

We have also developed two detailed, well-aligned plans that will guide our efforts going forward. Unisys developed the PFSS COTS implementation plan, while OI developed their plan for the required VistA legacy systems modifications and VistA Interface Engine (VIE) interface effort. The two plans were developed using the same planning methodology and approach to facilitate the definition and identification of interdependencies between Unisys and OI and to allow tracking of actual weekly progress against the plans. We have identified the resource levels and skills required to execute the plans.

Finally, we have completed several Analysis stage deliverables that positioned us to start the detailed design stage in early July 2004. The Analysis Stage deliverables include: Functional Integration Requirements, Functional Process Flows (old and new), System Configuration Requirements, Application Configuration requirements, Organizational Interfaces, and a Final Analysis Document.

We recognize that much work remains. Success will only occur if we all execute as planned. The work done to date gives us a clear map of what needs to be done, by whom, and when. The critical path clearly shows the dependencies between Unisys and OI. Now what remains is for all of us to execute the plan.

Key Milestones

A critical aspect to the successful execution of the two plans is the detailed identification of dependencies or “touch points”. There are dozens of touch points identified between the Unisys plan and the OI plan. Each touch point identifies who is responsible for sending and receiving the required data, due dates, and what tasks are impacted. This detailed level of integrated planning enables management of weekly progress, status and results. The weekly reporting will allow early corrective actions to be taken when issues arise. The high level Unisys milestones and dates are as follows:

Unisys Key Milestone	Due Date
1. IDX Design Specifications	July 14, 2004 - December 2004
2. Interfaces Specifications	July 2004 – November 2004
3. IDX System Build	August 2004 -May 30, 2005
4. Data Conversion Design	October 30, 2004
5. Interfaces Build	November 2004 – January 2005
6. IDX Functional Tests	November 2004 –April 2005
7. Roll Back Plan	March 30, 2005
8. Security Plan and Risk Assessment	July 2004 - April 2005
9. Integrated System Test	May 1 - 30, 2005
10. User Acceptance Test	June 1-30, 2005
11. Training Pilot	June 1-30, 2005
12. Simulation Test	July 1-August 30, 2005

13. System Activation Process	September 9 -October 28 – 2005
14. End User Training	October 1-October 28 2005
15. Cleveland Live	October 28, 2005

PFSS Program and Technical Solution

Unisys has conducted a comprehensive analysis of the current VHA revenue cycle systems and the target future business process flows. Unisys is confident that the COITS product, billing and patient management modules will meet the target future business needs and flows. However, as we have stated previously before this Subcommittee, there is much business transformation work to be done to align the VA revenue cycle organizations and business processes with the target future state supported by a COITS system. Change management, organizational alignment and new business processes are part of every major IT project, particularly if the project spans the entire enterprise. Both Unisys and the VHA recognize this need and are working on a business transformation strategy and plan for the pilot. Unisys will play a lead role in this transformation and is already applying resources to make this effort a success.

We recognize that the VistA legacy system changes present challenge. We believe that strong project management and dedicated VHA OI resources are absolutely critical to achieve success. OI has pledged to commit the necessary resources. We believe that OI will be successful as long as these resources are dedicated to this effort.

Top Risks and High Level Mitigation Strategy

The VA/Unisys team has identified several risk areas. Each risk was given a probability of occurring and the impact on the project if it occurred. Based on these criteria, the top risks and the associated mitigation strategy are identified below. For each risk/mitigation strategy, a team has been identified and a single point person for each will report status monthly.

1. The VA Standard **Messaging Architecture** is unproven with message types and volumes that may be driven through the system once PFSS is implemented. Mitigation- (OI lead) – Develop test scenarios with message types and volumes to prove capacity. Complete testing well before pilot completion.

2. A final **solution approach is not yet defined** in several application areas (Patient Treatment File, Charge Description Master (Service Master)), which could impact schedule and negatively impact the quality of the solution. Mitigation- (VISN 10 lead) – Finalize system specifications by August, and gain approval by the stakeholders.

3. A **single VA Point of Responsibility and Accountability** for the Project needs to be identified and empowered. Mitigation – Ken Ruyle has been identified and is now viewed by all as the project lead.

4. An on time **CPRS v27 final release is critical to project success**. Mitigation – (OI lead) CPRS schedules have been integrated into the plans. Resources are being identified. Resource adequacy and v27 status will be included in monthly PFSS project reviews.

5. Proper coordination of touch points with the **Austin Automation Center** is required.

Mitigation – (Unisys lead) Face to face planning sessions with AAC and FSC Points of Contact are planned and executive follow up will occur.

6. The ability to establish and execute **end to end systems testing** with all business partners (OI, AAC, FSC, 3rd Parties) due to lack of resources.

Mitigation – (All leads) High level executive commitment has been made to make systems and staff available for testing as schedules require.

7. **The Data Conversion Environment** must be available by November 1st, 2004.

Mitigation – Unisys will provide the Conversion Proposal, CBO will turn around a contract decision in August.

8. Adequate **Project Resources** from all business partners (OI, VHA, VISN 10, Unisys) are required throughout the pilot.

Mitigation – (All leads) Immediate actions have been put in place to engage 3rd party suppliers of M developers, VIE developers, and other project staff. Initial contact has been made with 3 potential suppliers.

What we need from Congress to be successful

This Subcommittee has been a strong proponent of PFSS since its inception. PFSS will require a transformation in the way the VA conducts patient financial management. The Department is ready for the change and in fact stakeholders and users are looking forward to the day when PFSS is fully implemented. However, change is never easy. It requires executive leadership and commitment. As a result, we believe that continued support and interest from this Subcommittee as the PFSS pilot moves forward will increase the likelihood of success. Congress has put forth a vision to improve collections. The Unisys team is committed to deliver on that vision. We welcome this Subcommittee's monitoring of our progress and will be happy to provide regular updates. We also appreciate your emphasis on ensuring that adequate VA resources, including personnel, are dedicated to the project, and that appropriate accountability and controls are in place to deliver needed results.

Success Strategies

We believe this project will be successful because we have included “best practice” approaches from the start. These include:

1. In the Analysis Stage, we assessed the gaps between the current system and the target future state flows to identify issues that would result in barriers to success. The key issues identified have been successfully resolved, both in terms of business process as well as the technical solution.
2. Users are involved in the day-to-day detail of designing the system. The users have a say in what will and what will not work in their environment. PFSS design will be user driven and user approved. We recognize the importance of early involvement and buy-in by both users within the Department, and with our ultimate customer – the veterans.
3. Users in VISN 10 will test the system. The system will be activated for the Pilot only if it passes the users acceptance test.
4. End User Training will be piloted during the user acceptance test activity. Lessons learned from the training pilot will be incorporated into the final end-user training plan.
5. Conversion of data has been started. Extensive analyses of conversion requirements and data cleanup, both manual and automated, has been performed.
6. Unisys did extensive work during the vendor runoff to determine the right COIS solutions in the VA environment.
7. Key risks have been identified and mitigation strategies are in place.
8. User training is part of the detail design and system build stages. This ensures that training incorporates not only what the users need to know but also incorporates the philosophy and rationale behind the new business process flows
9. Information security and access are an integral part of the PFSS plan and are aligned with the VA Office of Cyber and Information Security (OCIS) policies and guidelines.
10. System Design and Build are aligned with the VA Enterprise Architecture policies and guidelines.
11. Network capacity for the Cleveland/system pilot has been analyzed to determine sufficient bandwidth.
12. PFSS is being modeled using Unisys 3D Visible Enterprise tools to capture the target future state design and provide a visual 3D model. This model will allow traceability by linking the business strategy and the information technology that supports PFSS and will ease rollout to the rest of VISN 10 and eventually nationwide.

13. Unisys has designed and presented a comprehensive business transformation strategy that will ensure the organizational and cultural changes that must accompany implementation of PFSS are accomplished.

Conclusion

Mr. Chairman, in my testimony I have outlined the progress made since the hearing of March 17, 2004. Although there was some delay while we examined alternative approaches for integration with VistA, we have made significant progress.

We know what needs to be done. We have a plan, agreed upon by all stakeholders, that shows who will execute it and how and when it will get done. We have touch points that show the dependencies between Unisys and OI allowing us to measure progress, status and results. We have a single VA executive responsible and accountable for PFSS.

Mr. Chairman, we have the right solution. We have universal buy-in, a documented and agreed to timeline, interdependencies and touch points, and a detailed work plan. We will have success if we all execute. We are eager and fully prepared to implement PFSS. Thank you for the opportunity to provide my comments to the subcommittee today. I look forward to your questions and comments.