

Market watch: Veterans Affairs' IT priorities

BY MARY LAMB

The Department of Veterans Affairs' Office of Information and Technology requested \$3.3 billion in its fiscal year 2011 budget to support information and technology development, operations and maintenance expenses.

Of that, \$2,341 million in fiscal year 2011 project dollars could potentially be contracted out to industry. This is a slight decline from estimated fiscal year 2010 project dollars of \$2,368 million, but an increase over fiscal 2009 actual spending.

At the same time, VA pay and administration accounts for 2011 total \$966 million, which will support internal staffing at a level of 7,580 full-time-equivalents. This represents a slight increase for pay and administration accounts from fiscal year 2010 estimated budget levels of \$939 million.

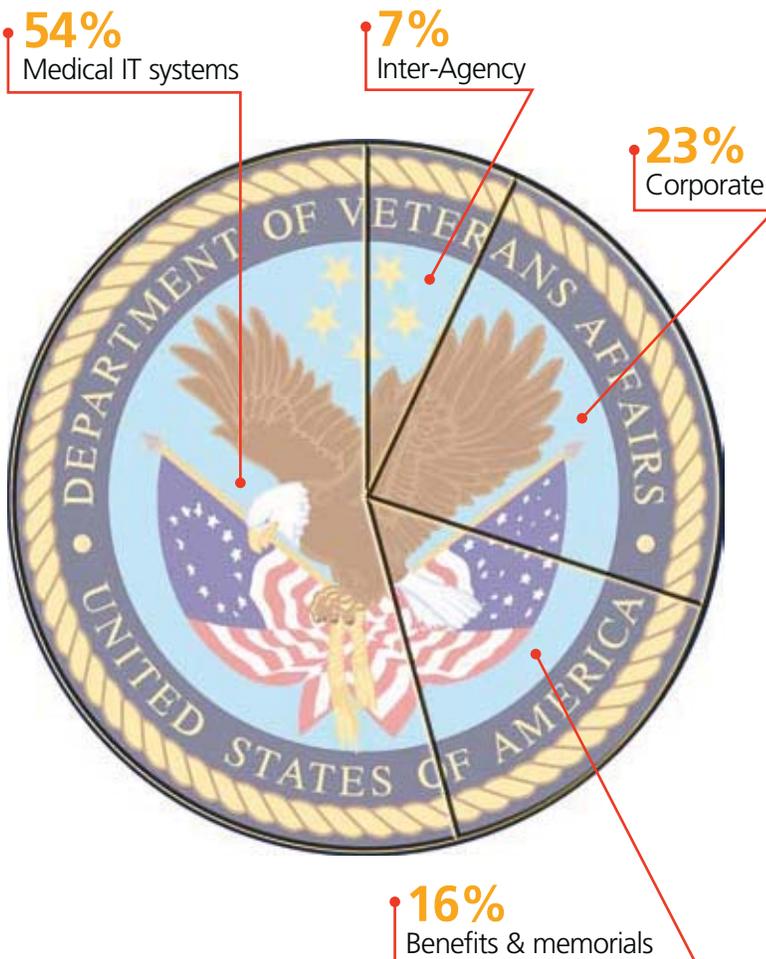
The reduction of potential contracted-out dollars and the increase in internal staffing levels will be worth watching over the next year as VA continues to transform its information technology architecture.

An analysis of the VA's detailed budget submission for fiscal 2011 shows that the VA has also restructured its IT budget and investment framework.

The VA claims the new framework more accurately reflects IT support for its primary customers in the areas of veterans health, veterans benefits, national cemeteries and VA corporate offices. It also syncs with VA's inter-agency health IT mega project: creation of a single lifetime electronic record for veterans and active duty military.

The new investment framework splits out four program areas: medical IT systems, benefits, corporate and inter-agency. Medical IT, with \$1,275 million in IT program dollars, represents 54 percent of fiscal 2011 project dollars, the largest share. Corporate, at \$527.2 million; benefits, \$380.8 million and interagency, follow in descending order (see chart). An expanded version of this analysis will be available online at www.govhealthit.com

—Mary Lamb is chief operating officer at Suss Consulting, Inc.



Top 10 VA IT Opportunities

If you are currently doing business with the VA or planning to pursue contracting opportunities with the VA Office of Information & Technology, the following watch list of the top 10 health IT and infrastructure opportunities is a potential roadmap on where to focus your corporate investments.

1. VA Medical Facilities IT Infrastructure (\$928.8 million)
2. Corporate IT Support (\$196.9 million)
3. Veterans Benefits Management System (\$145.3 million)
4. HealtheVet Core (\$131.5 million)
5. Financial & Logistics Integrated Technology Enterprise (\$120.2 million)
6. Benefits IT Support (\$105.2 million)
7. Enterprise Cyber Security (\$84.9 million)
8. Benefits Legacy VETSNET (\$84 million)
9. One Vet Initiative (\$64.9 million)
10. Virtual Lifetime Electronic Record (\$52 million)