

Audit



Report

YEAR 2000 END-TO-END TESTS FOR THE
MILITARY HEALTH SYSTEM

Report No. D-2000-031

November 4, 1999

Office of the Inspector General
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Acronyms

AIS	Automated Information System
ASD(HA)	Assistant Secretary of Defense (Health Affairs)
CHCS	Composite Health Care System
DEERS	Defense Enrollment Eligibility Reporting System
MHS	Military Health System
TMA	TRICARE Management Activity
Y2K	Year 2000



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884

November 4, 1999

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (HEALTH
AFFAIRS)

SUBJECT: Audit Report on Year 2000 End-to-End Tests for the Military Health
System (Report No. D-2000-031)

We are providing this report for information and use. This report is one in a series of reports being issued by the Inspector General, DoD, in accordance with an informal partnership with the Chief Information Officer, DoD, to identify progress made by DoD Components who are preparing information and technology systems for year 2000 compliance.

Comments from the Military Health System Chief Information Officer on a draft of this report were considered in preparing the final report. The Chief Information Officer concurred with the recommendations and the comments conformed to the requirements of DoD Directive 7650.3; therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Mr. Michael A. Joseph at (757) 766-9108 (mjoseph@dodig.osd.mil) or Mr. Sanford W. Tomlin at (757) 766-3265 (stomlin@dodig.osd.mil). See Appendix B for the report distribution. The audit team members are listed inside the back cover.

A handwritten signature in black ink that reads "Robert J. Lieberman".

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. D-2000-031
(Project No. 9LF-5046)

November 4, 1999

Year 2000 End-to-End Tests for the Military Health System

Executive Summary

Introduction. This report is one of a series being issued by the Inspector General, DoD, in accordance with an informal partnership with the Chief Information Officer, DoD, to monitor DoD efforts to address the year 2000 computing challenge. For a complete listing of audit projects addressing the year 2000 issue, see the year 2000 web pages on the IGnet at <http://www.ignet.gov>.

End-to-end testing in the Military Health System involves three functional areas: patient care, patient administration, and medical logistics. In addition to DoD automated information systems, the systems of managed care support contractors and medical materiel prime vendors participate in the patient administration and medical logistics functional areas, respectively.

Objectives. The overall audit objective was to evaluate the effectiveness of year 2000 end-to-end tests planned for DoD health care systems. Specifically, we reviewed test plans and results associated with DoD health care systems and systems owned by managed care support contractors and medical materiel prime vendors.

Results. The Assistant Secretary of Defense (Health Affairs) made significant progress in the planning and execution of Military Health System end-to-end tests. Test plans for the patient care, patient administration, and medical logistics health functions were developed in accordance with the DoD Year 2000 Management Plan. Seven of the nine core health care business processes were identified as critical. Multisystem testing of health care systems supporting the seven processes was planned for 11 of the 12 mission-critical systems. The 12th system was excluded from end-to-end testing because it does not interface with other mission-critical systems. Patient care, patient administration, and medical logistics tests were completed by September 22, 1999. Test results were generally positive, and software modifications were developed for one problem identified in each of the patient administration and medical logistics tests. However, subsequent to medical logistics testing and before the year 2000, three medical materiel prime vendor contracts are scheduled to be awarded. The timing of the new contracts may result in new vendors that would not have had the opportunity to participate in the medical logistics end-to-end tests. See the Finding section for details.

Summary of Recommendations. We recommend that the Assistant Secretary of Defense (Health Affairs) obtain the year 2000 due diligence statements from contractors

associated with the patient administration end-to-end testing. We also recommend that the Assistant Secretary of Defense (Health Affairs) monitor any transitions to medical materiel prime vendors that have not participated in end-to-end tests.

Management Comments. The Military Health System Chief Information Officer concurred with the finding and recommendations. The Chief Information Officer stated that the one outstanding due diligence statement from a managed care support contractor was received on September 17, 1999, and that due diligence statements are now on file for all contractors who participated in the patient administration area end-to-end testing. Also, the Chief Information Officer stated that the Office of the Assistant Secretary of Defense (Health Affairs) is continuing to work closely with the contracting personnel executing the prime vendor contracts scheduled to be awarded between October and November 1999. All new contracts contain the reference that vendors must have year 2000 capable systems. However, if a contract is awarded to a new prime vendor, end-to-end testing will be completed before the operational use of electronic transactions with that vendor. See the Finding section for a discussion of management comments and the Management Comments section for the complete text of the comments.

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Background

Public Law. Public Law 105-261, "National Defense Authorization Act for Fiscal Year 1999," October 17, 1998, Section 334(b), directs that the Secretary of Defense ensure that "all mission critical systems that are expected to be used if the Armed Forces are involved in a conflict in a major theater of war are tested in at least two exercises." In addition, Section 334(d) states: "Alternative Testing Method. In the case of an information technology or national security system for which a simulated year 2000 test as part of a military exercise described in subsection (c) is not feasible or presents undue risk, the Secretary of Defense shall test the system using a functional end-to-end test or through a Defense Major Range and Test Facility Base."

End-to-End Testing. The DoD Chief Information Officer has the overall responsibility for overseeing the DoD solution to the year 2000 (Y2K) problem. Guidance is provided in the "DoD Year 2000 Management Plan, Version 2.0" (the DoD Management Plan), December 1998. The DoD Management Plan requires that all mission-critical systems, except those involved in a major theater war, be tested in a functional area end-to-end test or a Service-sponsored Y2K system integration test.

The DoD Management Plan defines end-to-end testing as an assessment of a functional area to determine the Y2K operational readiness of its primary functions. The assessment process includes an identification of the core processes and the associated systems, an assessment of the readiness of those systems, and a determination of coverage in Joint Staff/commander in chief operational evaluations. That information will be used to determine the need for additional testing to fully demonstrate the operational readiness of the primary functions. The DoD Management Plan states that the purpose of end-to-end tests is to give assurance beyond that provided by development, acceptance, and system certification testing.

Results of each end-to-end test are to be documented in two reports. A quick look report will be produced within 7 days of test completion. Within 30 days of completion, a final report is required that includes Y2K test pass or fail judgments, lessons learned, and specific recommendations.

End-to-End Testing Responsibilities for the Military Health System. The Assistant Secretary of Defense (Health Affairs) (ASD[HA]) is responsible for issuing policy and providing oversight of the military health functional area. The TRICARE Management Activity (TMA) Y2K Project Office (Y2K Project Office) has overall responsibility for Y2K compliance of Military Health System (MHS) automated information systems (AISs) and for oversight of the planning, execution, and evaluation of the military health functional area end-to-end testing. The testing includes three major health functions necessary for mission fulfillment: patient care, patient administration, and medical logistics. Seven of the nine core business processes associated with the three functions were identified as mission-critical and included in the end-to-end testing. Of the 12 mission-critical AISs that support the MHS, only one medical logistics system

was excluded from end-to-end testing. The one system was excluded because it does not interface with a mission-critical process. The testing of each major health function will be controlled by a functional readiness assessment event plan (test plan).

Patient Care. The core business processes in the patient care area are patient diagnosis, treatment, and immunization. The processes are dependent upon the sharing of clinical and demographic data using interfaces between and among systems. Because the Composite Health Care System (CHCS) supports most patient care functions within a military treatment facility, many of the mission-critical processes involve the interface between CHCS and another clinical AIS or laboratory instrument. For example, ordering and supplying blood for transfusions is a mission-critical patient care process. CHCS interfaces with the Defense Blood Standard System to expedite the process of ordering and supplying blood for patient transfusions. In addition to MHS systems, the patient care tests include three non-MHS personnel and readiness AISs: two versions of the Defense Enrollment Eligibility Reporting System (DEERS) and the Persian Gulf Evaluation Program. DEERS contains enrollment eligibility information used to verify entitlement to a variety of services, including health care. The Persian Gulf Evaluation Program provides data concerning the Persian Gulf War syndrome.

Patient Administration. The core business processes in the patient administration area are eligibility, enrollment, and claims processing. The processes involve the following DoD AISs: CHCS, the Central Deductible and Catastrophic Cap File, and DEERS. CHCS and the Central Deductible and Catastrophic Cap File are medical AISs. CHCS supports patient care and administration functions that include appointment scheduling; inpatient activity records; outpatient administration; test ordering; test results reporting; and laboratory, pharmacy, and radiology reporting requirements. The Central Deductible and Catastrophic Cap File maintains data about individual and family deductible and catastrophic limits. DEERS contains information used to verify entitlement to health care. The end-to-end tests also included AISs used by the managed care support contractors. Those AISs assist in providing supplemental health care services to authorized beneficiaries through the private sector health care infrastructure and in processing patient claims.

Medical Logistics. Medical logistics has three core business processes: acquisition (using prime vendors), materiel management, and financial payment. Only the acquisition of pharmaceutical and medical surgical supplies was identified as a mission-critical process and included in end-to-end testing. The acquisition process entails the ordering of pharmaceutical and medical surgical supplies, and prime vendor acknowledgement of the order. Each prime vendor is required to have a fully operational on-line electronic order entry system that the military treatment facilities can access. The Army and Air Force have mission-critical systems that interface with the electronic order entry system through the Defense Medical Logistics Standard Support system. The Navy has an acquisition system but was not included in the testing because data is manually entered into the prime vendor electronic order entry system.

Objectives

The overall audit objective was to evaluate the effectiveness of Y2K end-to-end tests planned for DoD health care systems. Specifically, we reviewed test plans and results associated with DoD health care systems and systems owned by managed care support contractors and medical materiel prime vendors. See Appendix A for a discussion of the audit scope and methodology and for a summary of prior coverage.

End-to-End Tests for the Military Health System

ASD(HA) made significant progress in the planning and execution of MHS end-to-end tests. Test plans for the patient care, patient administration, and medical logistics health functions were developed in accordance with the DoD Management Plan. Seven of the nine core health care business processes were identified as critical. The testing of health care systems supporting the seven processes was planned for 11 of the 12 mission-critical systems. The 12th system was excluded from end-to-end testing because it does not interface with other systems. Patient care, patient administration, and medical logistics tests were completed by September 22, 1999. Test results were generally positive, and software modifications were developed for one problem identified in each of the patient administration and medical logistics tests. However, subsequent to testing and before the year 2000, three medical materiel prime vendor contracts are scheduled to be awarded. The timing of the new contracts may result in new vendors that would not have had the opportunity to participate in the medical logistics end-to-end tests. The ASD(HA) needs to closely monitor the possible transition to new vendors late in 1999 to minimize the risks associated with the year 2000 rollover.

MHS Test Plans

End-to-end testing within the MHS consists of an assessment to determine the Y2K operational readiness of primary functions. The testing is controlled by the "Military Health System Year 2000 Functional Readiness Assessment Master Test Plan," dated October 1998 and updated in April 1999. The plan states that the MHS is supported by a compilation of individual systems for which there is no hierarchical structure. Clusters of two and three systems with mission-critical processes must be tested and validated. Those processes will not be tested in an operational environment, because the facilities and systems are critical to patient safety and are in use 24 hours a day. Therefore, the plan calls for a test facility, the Advanced Technology Integration Center established within the TMA, to be used to simulate the operational environment to ensure critical health care functions would not be interrupted. The plan identifies three major health functions necessary for mission fulfillment of the health functional area: patient care, patient administration, and medical logistics.

Status of End-to-End Testing

Test plans for patient care, patient administration, and medical logistics areas were developed in accordance with the DoD Management Plan. Seven of the nine core health care business processes were identified as critical. The testing

of health care systems supporting the seven processes was planned for 11 of the 12 mission-critical systems. The 12th system was excluded from end-to-end testing because it does not interface with a mission-critical process. All tests planned for the three areas were completed as of September 22, 1999. Test results were generally positive, and software modifications were developed for one problem identified in each of the patient administration and medical logistics tests.

Adequacy of Test Plans. Test plans for each of the three functional areas were developed in accordance with the DoD Management Plan. Each AIS had undergone system-level testing and had been certified as Y2K compliant before being included in the tests. A coordinator for each functional area was assigned responsibility for all aspects of test planning, execution, and evaluation. Assisting each coordinator was a team comprising representatives of appropriate organizations. The teams included, as appropriate, representatives from the Y2K Project Office and the Advanced Technology Integration Center within TMA, the Developmental Testing and Evaluation Office and other offices within system program offices, the Defense Manpower Data Center, contractors, and lead agents.

Specific processes within each core business process were identified and evaluated for inclusion in end-to-end tests. The determination to test a process was made based on the process meeting one of the following criteria:

- a mission-critical system interfacing with another mission-critical system,
- a mission-critical system interfacing with a nonmission-critical system that supports a mission-critical function or capability, or
- a mission-critical system interfacing with a nonmission-critical system, with an interface passing date-sensitive data that requires one or both systems to calculate or recalculate date fields.

Test scenarios were designed to test data transactions on dates surrounding the year 2000 fiscal year, calendar year, and leap day. The Y2K Project Office conducted Pre-Test Readiness Reviews prior to the tests, at which time the test scenarios were approved.

Patient Care Plan. The test plan for the patient care area was prepared in accordance with the DoD Management Plan. The test plan was approved in May 1999. The plan required that a coordinator be assigned responsibility for all aspects of test planning, execution, and evaluation. Also, each AIS included in the plan had undergone system-level testing and had been certified as Y2K compliant.

Patient Administration Plan. The test plan for the patient administration area was prepared in accordance with the DoD Management Plan. The test plan for the patient administration area included the participation of the managed care support contractors. Personnel from the Y2K Project

Office validated test scenarios developed by the contractors to ensure that all processes and data flows were tested adequately and accurately represented a normal operational environment. In addition, the Y2K Project Office evaluated the contractors' Y2K programs and determined that there were no significant Y2K problems. The Y2K Project Office also requested that each of the contractors provide assurances that their AISs were Y2K compliant. The contractors agreed to provide signed documentation that they exercised due diligence in their Y2K compliance efforts by June 30, 1999. However, as of September 9, 1999, the Y2K Project Office had received assurances from only five of the six contractors. The Y2K Project Office was in the process of following up on the status of the remaining responses.

Medical Logistics Plan. The test plan for the medical logistics area was prepared in accordance with the DoD Management Plan. The draft medical logistics test plan excluded one Army and one Air Force mission-critical medical logistics systems. However, TMA had noted the exclusion and directed a modification to the draft test plan to include the Service-level mission-critical systems in the next draft of the test plan. The medical logistics test plan included the participation of prime vendors. The prime vendors provided due diligence statements that all 12 prime vendor systems expected to be in use in December 1999 were Y2K compliant. Because those systems do not belong to DoD, the documentation is important to the MHS to ensure the mission-critical business process is not impacted by Y2K-related problems. It is important to note that if the electronic order entry system does not work, there is an easy alternative for ordering medical materiel. The military treatment facilities can place orders by telephone or by fax, and the prime vendor will acknowledge receipt of the order by similar means.

Test Results. Patient care, patient administration, and medical logistics tests were completed by September 22, 1999. Test results were generally positive, and software modifications were developed for one problem identified by the patient administration tests and one problem identified by the medical logistics tests.

Patient Care Results. The patient care tests demonstrated success in sending and receiving date-related data in a Y2K environment. The quick look report summarizing results of the patient care tests was completed on July 16, 1999, within the 7-day requirement established in the DoD Management Plan. The final report, issued August 9, 1999, indicated that all 1,756 tests covering the three core business processes were successful and that no Y2K-related failures occurred. The original CHCS and Defense Blood Standard System tests were stopped because two versions of Defense Blood Standard System software were being used. However, the tests were restarted and successfully completed upon correction of the testing procedures. Because the problem was associated with the testing environment and not the AISs that were tested, AIS modifications were not required.

Patient Administration Results. The patient administration tests demonstrated success in sending and receiving date-related data in a Y2K environment. The quick look report on the patient administration test results

was completed on July 7, 1999, within the 7-day DoD requirement. The final report, dated July 30, 1999, stated that 6,332 (93 percent) of 6,840 planned end-to-end tests covering the three core business processes were successfully completed by June 30, 1999. Of the remaining 508 tests, 504 tests were not performed because of connectivity problems and database inconsistencies not related to Y2K problems. The event team reviewed the tests that were not completed and decided not to rerun the tests because each of the mission-critical processes involved in those tests had already been involved in a sufficient number of comprehensive and rigorous end-to-end tests. The remaining four tests failed due to Y2K problems, specifically, the ability of CHCS to process a date received from DEERS and generate nonavailability statements. The four test failures were fixed and retested successfully, and the software correction has been deployed to update software copies in the field.

Medical Logistics Results. Testing in the medical logistics area was completed September 22, 1999. The quick look report on the medical logistics test results was completed on September 29, 1999, within the 7-day DoD requirement. The report showed that the 283 planned medical logistics tests associated with the mission-critical process of ordering pharmaceutical and medical surgical supplies had been successfully completed. One system failed during the test of February 29, 2000; however, a software modification was developed and the system passed the retest. The modification was fielded to update copies of the software. Although the test results were generally positive, we have one concern regarding the possibility of contract awards to new prime vendors that would not have had the opportunity to participate in end-to-end testing.

Prime Vendor Contracts

There is a potential risk that contracts will be awarded subsequent to end-to-end testing, but before the year 2000, to medical materiel prime vendors that would not have had the opportunity to participate in the medical logistics end-to-end testing. Three medical materiel contracts are scheduled to be awarded with effective dates in November 1999. Although it is possible that the contracts may be awarded to current prime vendors that have participated in end-to-end testing, it is also possible that new prime vendors will be awarded the contracts.

The Defense Supply Center, Philadelphia, manages the prime vendor program, including the transition to new prime vendors. Personnel from the Office of the ASD(HA) met with supply center personnel to address the Y2K risks associated with the upcoming contracts. Although alternatives were discussed, such as extending the current contracts until the year 2000, it was agreed to wait until the contracts were awarded to determine whether a problem exists and then take appropriate action. Although standard Federal Acquisition Regulation clauses addressing Y2K compliance do not apply to service contracts, the contract solicitations were modified to include a Y2K compliance requirement. To ensure Y2K compliance in the medical logistics functional area, ASD(HA) must

closely monitor the awarding of prime vendor contracts in the fall of 1999 and take appropriate actions to mitigate Y2K risks if the contracts go to new prime vendors.

Recommendations and Management Comments

We recommend that the Assistant Secretary of Defense (Health Affairs):

1. Obtain the year 2000 due diligence statements from contractors associated with the patient administration area end-to-end testing.

Management Comments. The MHS Chief Information Officer concurred, stating that the one outstanding due diligence statement from a managed care support contractor was received on September 17, 1999. Due diligence statements are now on file for all contractors who participated in the patient administration area end-to-end testing.

2. Monitor any transitions to new medical materiel prime vendors that would not have participated in end-to-end tests and take actions necessary to mitigate risks involved with such transitions.

Management Comments. The MHS Chief Information Officer concurred, stating that the Office of the ASD(HA) is continuing to work closely with the contracting personnel executing the prime vendor contracts scheduled to be awarded between October and November 1999. All new contracts contain the reference that vendors must have Y2K capable systems. However, if a contract is awarded to a new prime vendor, end-to-end testing will be completed before the operational use of electronic transactions with that vendor.

Appendix A. Audit Process

This is one in a series of reports being issued by the Inspector General, DoD, in accordance with an informal partnership with the Chief Information Officer, DoD, to monitor DoD efforts to address the Y2K computing challenge. For a list of audit projects addressing the issue, see the Y2K web pages on the IGnet at <http://www.ignet.gov>.

Scope and Methodology

Work Performed. We reviewed plans and reports of results for end-to-end tests for the MHS to determine if the ASD(HA) had performed effective tests and whether the test results were documented. We interviewed personnel from the Office of the ASD(HA) responsible for developing and carrying out test plans for the DoD health systems. We compared the DoD health system's master test plan (updated in April 1999) and the patient care, patient administration, and medical logistics test plans (approved May through June 1999) with requirements included in the DoD Management Plan issued by the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) in December 1998. We reviewed procedures used by the Office of the ASD(HA) to obtain assurances on the Y2K compliance of contractor-owned AISs. We evaluated test scenarios, observed test procedures, and reviewed quick look and final reports issued from July 1999 through September 1999 that contained results of the patient care, patient administration, and medical logistics tests.

DoD-Wide Corporate-Level Goals. In response to the Government Performance and Results Act, DoD established 2 DoD-wide corporate-level goals and 7 subordinate performance goals. This report pertains to achievement of the following goal and subordinate performance goal:

Goal 2: Prepare now for an uncertain future by pursuing a focused modernization effort that maintains U.S. qualitative superiority in key warfighting capabilities. Transform the force by exploring the Revolution in Military Affairs, and reengineer the Department to achieve a 21st century infrastructure. **Performance Goal 2.2:** Transform U.S. military forces for the future.

DoD Functional Area Reform Goals. Most major DoD functional areas have also established performance improvement reform objectives and goals. This report pertains to achievement of the following objectives and goals in the Information Technology Management Functional Area.

- **Objective:** Become a mission partner. **Goal:** Serve mission information users as customers. (ITM-1.2)
- **Objective:** Provide services that satisfy customer information needs. **Goal:** Modernize and integrate Defense information infrastructure. (ITM-2.2) **Goal:** Upgrade technology base. (ITM-2.3)

High-Risk Area. In its identification of risk areas, the General Accounting Office has specifically designated risk in resolution of the Y2K problem as high. This report provides coverage of that problem and of the overall Information Management and Technology high-risk area.

Use of Technical Assistance. The Technical Assessment Division, Office of the Assistant Inspector General for Auditing, assisted us in evaluating technical data contained in the patient care, patient administration, and medical logistics test plans and in the quick look reports addressing patient care and patient administration.

Audit Type, Dates, and Standards. We performed this program audit from April through September 1999 in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. We used computer-processed data for this audit, but we did not rely on the information to arrive at our audit conclusions. Therefore, we did not perform tests to determine the reliability of the data.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD. Further details are available upon request.

Management Control Program. We did not review the management control program related to the overall audit objective because DoD recognized the Y2K issue as a material management control weakness area in the FY 1998 Annual Statement of Assurance.

Summary of Prior Coverage

The General Accounting Office and the Office of the Inspector General, DoD, have conducted numerous reviews related to Y2K issues. General Accounting Office reports can be accessed over the Internet at <http://www.gao.gov>. Inspector General, DoD, reports can be accessed over the Internet at <http://www.dodig.osd.mil>. The Inspector General, DoD, has issued three audit reports discussing Y2K issues in DoD health care.

Inspector General

Inspector General, DoD, Report No. 99-255, "Year 2000-Sensitive Property Reutilized, Transferred, Donated, or Sold," September 15, 1999.

Inspector General, DoD, Report No. 99-196, "Year 2000 Computing Issues Related to Health Care in DoD - Phase II," June 29, 1999.

Inspector General, DoD, Report No. 99-055, "Year 2000 Computing Issues Related to Health Care in DoD," December 15, 1998.

Appendix B. Report Distribution

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Committee on Government Reform
House Subcommittee on National Security, Veterans Affairs, and International
Relations, Committee on Government Reform
House Subcommittee on Technology, Committee on Science

Assistant Secretary of Defense (Health Affairs) Comments



HEALTH AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

OCT 15 1999

MEMORANDUM FOR DEPUTY INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

SUBJECT: Audit Report on Year 2000 End-to-End Tests for the Military Health System
(Project No. 9LF-5046)

Reference is made to the Director, Readiness and Logistics Support Directorate memorandum, dated 27 September 1999, subject as above. The Department of Defense Inspector General (DoD IG) Draft Audit Report documents the results of a Health Care Year 2000 audit conducted by the DoD IG.

As with previous audits, this audit was conducted in an atmosphere of partnership and cooperation. When issues surfaced during the audit, immediate actions were taken to implement policy and procedures to address those issues. The attachment contains updated information on the items addressed by the DoD IG recommendations for inclusion in the final report.

Should you require additional information, my point of contact is Ms. Clarissa Reberkenny, Director, Technology Management, Integration and Standards. Ms. Reberkenny can be reached at (703) 681-8823 or by e-mail at Clarissa.Reberkenny@tma.osd.mil.


James C. Reardon
Military Health System
Chief Information Officer

Attachment:
As stated

**Office of the Assistant Secretary of Defense (Health Affairs) Responses
to the
DoD Inspector General Findings
for
Draft Audit Report on Year 2000 End-to-End Test for the Military Health System
(Project No. 9LF-5046)**

IG Recommendation 1

Obtain the year 2000 due diligence statements from contractors associated with the patient administration area end-to-end testing.

OASD(HA) Response (concur):

The one outstanding letter from a managed care support contractor was received on 17 September 1999. A copy was provided to the DoD IG audit team. There is now on-file all due diligence statements for all contractors who participated in the patient administration area end-to-end testing.

IG Recommendation 2:

Monitor any transitions to new medical materiel prime vendors that would not have participated in end-to-end tests and take actions necessary to mitigate risks involved with such transactions.

Response (concur):

OASD(HA) medical logistics program office is continuing to work closely with the contracting personnel executing the prime vendor contract re-awards scheduled in the October-November 1999 timeframe. The program office has a risk mitigation approach to ensure that there is continuous logistic support to the Military Treatment Facilities involved. All new contracts have the federally mandated Y2K reference that the vendors must have Y2K capable systems. Also, there is a very low risk if a contract is awarded to a prime vendor that was included in the end-to-end testing. However, if a contract is awarded to a new prime vendor, Y2K end-to-end testing will be completed with the new prime vendor before the operational use of electronic transactions with that vendor.

Attachment

Audit Team Members

The Readiness and Logistics Support Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report. Personnel from the Office of the Inspector General, DoD, who contributed to the report are listed below.

Shelton R. Young
Michael A. Joseph
Sanford W. Tomlin
James A. O'Connell
Robert T. Briggs
G. Paul Johnson
Eva M. Zahn
Major Michael D. Walker, U.S. Air Force