A Project 76—An American Affair, Inc.,
Division of Not-for-Profit Health Services
White Paper (Executive Summary)

"Proprietary Information"

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R—RFI for VistA Open Source
Solicitation Number: VA11810R10714
Department of Veterans Affairs
VA Technology Acquisition Center

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Nationwide Not-for-profit Health Service and
"Vista Total Health Network" (2.0)

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Introduction

"VistA is not a code; it's a process," is how one of its key developers puts it. This process has fostered a medical culture that by now has put the VA at least twenty years ahead of the rest of the U.S. healthcare system in exploiting the full potential of digitalized medicine.

R—RFI for VistA Open Source (2.0) will position VA another three decades ahead. And this information will help describe two would-be *strategic* non-profit partners for VA in the development of this technology.

Project 76—An American Affair, Inc. and the **New American Foundation** (health policy think tank) are not-for-profit entities that complement and can facilitate VA being able to achieve the goals setout in this RFI.

Project 76 for example: is currently taking steps to implement a "**Nationwide, Not-for-profit Health Service"** (NHS) that will brand; supply capital for; and operate private networks of:

- *Non-profit providers* (clinics; health centers; hospitals and medical schools);
- *Non-profit suppliers* (healthcare supply, equipment and solution intermediaries);
- *Non-profit health insurers* ("Nationwide Qualified Health Plans" and "Consumer Operated and Oriented Plans"); and a
- *New, non-profit "open source" health information technology infrastructure* (that would be interoperable and support: a national health information database; a nationwide electronic health record; individual lifetime electronic medical records; and multi-state health information and insurance exchanges).

And while New America Foundation ("NAF") does *not* intend to play a direct role in healthcare operations, it *is* seeking grant support, which VA may wish to consider providing, to continue the use of NAF expertise, contacts and influence to develop an initial business plan and take other steps to lay a solid foundation for the launch of a new and "separate" entity that NAF is provisionally referring to as "**Vista Total Health Network"** (VTHN) of a nonprofit non-government providers to emerge and perform much in the same function as a "*civilian VA."*

"The essential idea is to link existing public health clinics, community hospitals and other non-profit healthcare and social service organizations into a digitally integrated, 'virtual' network and that by adopting VA's health information technology platforms (VistA FOIA and VistA 2.0 Open Source); protocols of care; and quality standards, the **VTHN** would replicate the best features of VA' delivery system model … building upon the three essential ingredients of VA' quality transformation:

- The shrewd, widespread deployment of a tax-payer financed health IT (the world renowned "VistA" software system, written by doctors for doctors);
- VA' scale, integration, and long-term relationships with its patients; and the
- VA' culture of public service and commitment to science ("through a process of self-selection, VA's workforce of salaried managers, doctors, and other healthcare professionals tend toward an ethos of service and commitment to medical research above concern for individual profit maximization.")

The new **NHS** will furnish the VTHN with:

- *Expertise, staff work, and contacts* needed to become qualified for newly available federal subsidies as accountable care organizations ($12 billion under the **Affordable Care Act** and another $17 billion under emerging "meaningful use" regulations of the **Health Information Technology for Economic and Clinical Health Act** or HITECH);

- *Technical assistance in installing and implementing VistA* (by arranging "two for one installations - no money down - of the Freedom Of Information Act and the reengineered versions of VistA Open Source software); and by supplying;

- *Financial assistance in building capital and reserves* (as many VTHN non-profit providers "face short-term cash flow and longer-term capital inadequacies" (Longman, NAF Concept Paper 2010) that make them less competitive in seeking managed care contracts offered by state and local governments. In these cases the NHS will endow VTHN administrators with bridge loans or capital infusions).

Problem Statement

The problem: There exists neither a health information technology, nor a healthcare consumer intermediary in the private sector that is as proven as VistA, or as dominant, influential or effective as the Department of Veterans Affairs is in the public sector.

"The public policy environment surrounding American healthcare has not allowed for the emergence of such an entity until recently." (Longman, opcit 2010)

"Yet passage of health care reform legislation, (particularly mandates and subsidies created by the Affordable Care Act and HITECH), combined with ongoing trends toward commoditization in the healthcare marketplace, have created a first-time business opportunity to implement transformative change in how U.S.

healthcare is delivered." (Longman opcit 2010) "And account for the current efforts to assemble a VistA 2.0 Open Source powered, *civilian* VA to become *the* major mechanism by which health care delivery system reform is achieved, and the means by which a plurality of Americans will receive healthcare within the next decade." (Longman opcit 2010)

The primary hindrances preventing U.S. healthcare from breaking free of the strangle hold of an unsatisfying, uniformed, wasteful and unsafe delivery system are; antiquated and, more often than not, non-existent health information technology (HIT); squandered economies of scale; and disparate practices and procedures.

And while the Affordable Care Act and HITECH can help change this, they are powerless to do so in an environment of multiple competing HIT platforms, none of which would compare with a reengineered Vista.

As to the squandered economies of scale, the Wal-Mart Stores business model is proof positive that "scale" is routinely exploited for tremendous savings, and that interoperable IT such as Wal-Mart deploys (and that VistA 2.0 Open Source would re-introduce) enables it to see huge operating savings.

There is no excusable alternative for failing to achieve this result in our private, health care economy. Yet, for once in our political system VA *is* government (as the influential IT consumer intermediary) in the ideal spot to make the HIT (PMR, EHR and HIE) call.

Otherwise, the problem is that there exists no health information technology, consumer intermediary in the private sector that is as proven as VistA or as dominant, influential and effective as VA is in the public sector.

Previous Options

For example, in the *public* sector, "the healthcare delivery system improvements derived from a quality revolution in clinical practice and outcomes research the VA has engineered, since the 1990s, has produced a noteworthy result." "The healthcare system operated by VA has emerged as a quality pioneer in American medicine." (Longman opcit 2010) In fact, "a vast literature of peer-reviewed studies, published in such prestigious venues as the New England Journal of Medicine and the Annals of Internal Medicine, plus the glowing testimonials of the American Legion and other veterans' service organizations, document the extraordinary success of VA in improving outcomes and patient satisfaction while containing costs" (Longman op cit 2010).

Because of the quality of care it provides, VA has seen enormous growth in market share in recent years as veterans vote with their feet and enroll in the system despite tightening eligibility rules and considerable co-pays. Further indicating the consumer demand for this product, "at the top of the Americans Legion's legislative agenda are proposals that would allow veterans to use their Medicare entitlement at VA hospitals and clinics, and that would allow their family members to use Medicare or private insurance to access the system as well." (Longman op cit 2010)

"At a time of galloping healthcare inflation elsewhere, VA has been able to keep its

costs per patient essentially flat over the last decade and turned in this unprecedented performance even as it has had to treat the wounded of two ongoing wars, and a general population of veterans whose members are, as a group, older, poorer, and more prone to chronic illness than the U.S. population as a whole. Though precise cost comparisons are not available due to differences in the populations served, there is reason to believe that the VA model has a cost per patient that is about **20-30 percent** lower than of the rest of the healthcare system, even as it produces higher quality care and patient satisfaction.

While the veterans health system has many features that make it unique, its doctors are salaried and it operates within a fixed, or "capitated" budget as opposed to receiving fees for service. And, were it not for its eligibility restrictions and lack of compensation from Medicare, the VA could well generate enough revenue to cover its own costs and become a free-standing, self-funding entity, according to such experts as former Veterans Health Administration under-secretary Kenneth W. Kizer, and work by the Commission on the Future for America's Veterans.

While each of these aspects is incredibly impressive on its own, the VA has also managed to build a system which is interdisciplinary and community-based at its center. Under the VA's reform, national quality standards are enforced, but decision-making on implementation is largely at the regional and local level. Social services coexist with robust primary care teams, all with the goal of creating truly patient-centered care". (Longman op cit 2010)

And while not an option prior to passage of health reform, Project 76's nationwide, not-for-profit health services model (NHS) will extend VA' success to another 100 million Americans by seeing to it that all non-profit providers have access to VistA FOIA, initially, and thereafter, to VistA 2.0 O.S. .

Praxis Solution and Analogy

Two EHR Installations for the price of one (VistA FOIA and VistA 2.0 Open Source):

- *NO MONEY DOWN!*

The Solution: The developing nationwide, not-for-profit health service, and proposed national, digital linkage of non-profit providers in a Vista Total Health Network, is a solution to the problem of there not existing either a HIT standard or consumer intermediary in the private sector that is as proven as VistA or as reputable, dominant, influential and effective as the Veterans Affairs department is, in the "public" sector.

"Escape Fire" is an edited version of the Plenary Address delivered by Donald M. Berwick, MD, MPP, at the Institute for Healthcare Improvement's 11th Annual National Forum on Quality Improvement in Health Care, and published in 2002 by The Commonwealth Fund.

As a context for analyzing healthcare organization and delivery system dysfunction in the United States, Dr. Berwick—recently appointed by President Barack Obama to head the HHS *Centers for*

Medicare and Medicaid Services— used the Escape Fire analogy to describe his approach to reform.

According to Dr. Berwick, his analogy derives from an infamous Montana forest fire that altered the course of forest fire fighting forever, because in order to save his own life, one inventive smokejumper broke all the rules, forgot everything he though he knew, and set the very first "escape fire." And while Wag Dodge, escape fire starter, did in fact survive the conflagration nearly unharmed, and another made it up and over the ridge just ahead of the fire only to die from burns he received a few hours later, and the only two who survived other than Dodge, without his the escape fire, outran the fire over the ridge only *after* abandoning as useless the tools, it had been drummed into him to *never* leave behind."

Dr. Berwick's point was that true reform of the delivery system of American healthcare would benefit from its own "escape fire."

So the first thing we do is rethinking trying to outrun the coming "fire" in healthcare, loaded down with ineffective tools. The next thing we did is adopt as a recommended design principle a "forcing function" that does not, after a point, allow for choice. i.e., "we do not just invoke new techniques for the same old tools, we acknowledged the need to drop many of our traditional tools.

- Noncompetitive and innovation starving Group Purchasing Organizations;
- Unreasonably expensive and, noncompetitive insurance options;
- Restrictive access to care givers;
- Irreconcilable EHR (Electronic Health Records);
- Unscientific care delivery models;
- Endangered patients; and
- Overworked unhappy care givers.

Benefit 1 of the Praxis Solution

How would an "open source" model for reengineering VistA enable VA to realize "greater innovation and better integration of new capabilities as a result of collaboration with the open source community and a well capitalized, motivated, nationwide, not-for-profit health service entity of providers; suppliers; insurers; and technologist?

The primary VA benefit to such an arrangement would be: cost sharing; a would-be partner with a shared sense of urgency: an ally in all things VA, including a total commitment to reengineering VistA (the *unanimous* recommendation of the American Council for Technology, Industry Advisory Council report on VistA modernization. May 2010); and an alliance that would signal, de-facto, that VistA 2.0 OS is the new standard for HIT.

Benefit 2 of the Praxis Solution

How would an "open source" model for VistA enable the VA to benefit from "improvements in capabilities, quality, reliability, and robustness" as a result of collaboration with the open source community and a NHS?

As the original creation of VistA was paid for by the U.S. taxpayer, all subsequent value added to be added by VistA 2.0 Open

Source, will be substantial and inure to the benefit of taxpayers directly, and via the VA.

For example: the fact that the new NHS and VTHN's HIT appetite is "state of the art," developers will need to innovate and create applications for reengineered VistA (rather than for the legacy system), all the while preserving its legendary functionality. Likewise, this innovation for **VistA 2.0 Open Source** exclusively, will improve capabilities for all stakeholders, as it satisfies NHS and VTHN new application requirements, including for: a nationwide, health information database; seamless IT interoperability across the whole spectrum of healthcare stakeholders; nationwide, state based health information, and insurance plan exchanges; and uniform, electronic medical record and lifetime, individual EHR.

Benefit 3 of the Praxis Solution

Why would an "open source" model for VistA enable the VA to be an effective catalyst for a more rapid and broader proliferation of common electronic health record software and solutions?

The Not-for-profit Health Service and Vista Total Health Network providers are firmly committed to the VA model in every way, and the fact that their oversized potential for investment in new HIT cannot go unnoticed in the immediate months ahead, means that the demand for opportunities configure new installations of VistA FOIA will build on themselves as the provoke even more rapid growth and acceleration suppliers. Add the increased momentum of federal government, NHS and VTHN financial incentives; bridge loans and capital infusions; and with "No Down Payment: Two for the price of one" marketing, the proliferation of installations should increase dramatically.

Implementation

Implementation of the Network

The Network would be implemented starting in selected "fractured" healthcare markets, where the healthcare delivery system is particularly broken and yet where local political conditions and medical leadership are favorable to reform.

Across the country, healthcare providers of all stripes, including but not limited to "safety net hospitals," are facing challenging conditions, including looming mandates to install health IT, the prospect of cuts in Medicare reimbursement rates, an expanding population of Medicaid patients on which it is difficult to break even, state and local funding, and many other well-known factors.

The crisis is more acute in some parts of the country than others, and there is also great variation in the strength of local reform efforts. Early indicators point toward locations in one or more of the following states where conditions are particularly ripe for the launch of the network: Massachusetts, New Jersey, Missouri, Texas, and especially specific regions of California such as that surrounding Bakersfield. As a bellwether state facing a particularly acute fiscal and healthcare crisis, California is a very likely candidate for an initial launch of the network.

Building of the network would begin by approaching existing public heath clinics, community hospitals and other non-profit healthcare providers and offering a deal with these essential outlines:

- Access to new federal subsidies;
- Technical assistance in installing and implementing VistA or Open VistA; and
- Assistance in building financial reserves.

In exchange for these and other services, including group purchasing arrangements and help with marketing and lobbying, the Network would require participating non-profits to become formal, branded affiliates adhering to common protocols of care and quality standards. Initially, these protocols would be primarily based on current practice patterns at the VA, including its formulary, patient safety measures, and the full digitalization of patient records and outcome measures.

Over time, these protocols would be adjusted to take into account emerging best practices (wherever they might come from) and new findings in comparative effectiveness research. As at the VA, the process for determining practice patterns strategically would involve practicing doctors and other front-line personnel in the field, and would take into account the special needs of local populations. Affiliates would also be held accountable for their performance, which, through the use of a fully integrated health IT system like VistA, becomes comparatively easy to measure and monitor.

In this way, a virtual "civilian VA" would be rolled out, but based on a networked, non-profit model. Its existence would not involve the creation of any new entitlement, nor require any act of Congress.

Business Model Advantages

In addition to the inherent cost efficiency and medical effectiveness of the network's model of care, there are also many important ancillary advantages to its business model. On the revenue side, these briefly include:

- Federal Subsidies: Its ability, given the expected prominence of its board and expertise of its staff, to take exceptional advantage of newly available subsidies for Health IT and Accountable Healthcare Organizations. The public purposes served by the adoption of its model of care (which are widely recognized among healthcare policy makers, particularly in the current Administration) would also be an intangible, but important factor in securing government support.

- Foundation Support: Its ability, for the same reasons, to attract foundation support for its early stage development, and perhaps as well for many of its ongoing operations.

- State Government Contracts: Its ability to win contracts from state governments by offering the most cost-effective means of satisfying new federal mandates to expand Medicaid eligibility and to otherwise serve medically indigent populations.

- Federal Research Grants: Its ability, following the example of the VA, to attract federal research grants into the comparative effectiveness of different drugs and procedures, as well as into other areas of key interest to policymakers seeking to "bend" the healthcare cost curve and improve public health.

- Low-cost Private Capital: Its access to low-cost, financial capital based on the relative security, liquidity, and tax advantages available to investors who buy the bonds of this revenue generating, not-for-profit institution.

- Venture Capital Support: Its ability to attract political and financial support from venture capital interests as they become cognizant of how its purchasing power and practice patterns can create new markets. These include most notably market opportunities for open-source health IT installation and support, but also for other products particularly associated with its model of care, such as telemedicine devices and medical technology appropriate for home use.

- Charitable Contributions: Its ability as a qualified 501(c) (3) organization to accept tax-deductible charitable contributions.

A final sales point will be the scope and integration of the Network, which will rival that of the veterans' health system. Regardless of where a member might move throughout the U.S. over the course of a lifetime, or happen to get sick while traveling, he or she would have access to local, Vista-affiliated providers, all of whom would be operating on the same fully integrated health IT platform and patient record system and adhering to common protocols of care.

Key Personnel: Early Stage Development

The New America Foundation's Health Policy Program, in partnership with the Washington Monthly and a growing network of actively engaged healthcare policy experts, has taken the lead thus far in developing this proposal. The Health Policy program is under the direction of **Dr. Kavita Patel**, who recently joined New America after working on healthcare reform for the White House as a deputy under Valarie Jarrett. Also critically involved are three New America fellows:

- **Phillip Longman**, who has received widespread attention for his writing on the quality revolution in VA healthcare and its implications for broader healthcare system delivery reform. The last chapter of his book, *Best Care Anywhere*, provides an early articulation of the vision behind this proposal, as do key articles he has published in the Washington Monthly, where he is also a fellow, over the last five years.

- **Shannon Brownlee**, whose writing has played a key role in communicating the extent and effects of over-treatment in U.S. health care. Author of the book, *Over-treated: Why Too Much Medicine is Making Us Sicker and Poorer*, Brownlee is also currently affiliated with The Dartmouth Institute for Health Policy and Clinical Practice, where she is involved in developing and disseminating the

findings of the Dartmouth Atlas Project on disparities in practice patterns.

- **Paul Glastris**, who in addition to being a New America fellow, is also Editor-in-Chief of the Washington Monthly. In this capacity, he has been critically involved in developing and editing the articles by both Longman and Brownlee that have helped to educate policy elites on the need for delivery system reform.

Another key New America colleague is **Leif Haase**, who as director of New America's California Program has deep experience in that state's healthcare reform efforts, including most recently a critical role in organizing the California Task Force on Affordable Care. He previously served as Senior Program Officer and Healthcare Fellow at The Century Foundation, a public policy research organization based in New York City.

Also involved in this project is New America Foundation Vice President for Domestic Policy, **Ray Boshara**, who is currently active in healthcare reform efforts in Missouri.

The New America Foundation does not intend to play a direct role in the operations of the Vista Total Health Network. Rather, it seeks support that will enable it to use its expertise, contacts and influence to lay a solid foundation for the launch of this new and separate organization.

New America's Health Policy team played a key role in developing the concepts and fostering a national dialogue that led to the landmark Patient Protection and Affordable Care Act.

Through its work in Massachusetts, Colorado, and California, it also has broad experience in healthcare reform at the state and local level. It also brings to the table special strengths in the realm of open-source Health IT, through, for example, its Open Technology Initiative under the direction of Sascha Meinrath.

Mr. Longman also has broad contacts among the VistA open-source community, both within the VA and without, including relationships with key leadership at Medsphere and WorldVista. As such, the New America team is exceptionally well positioned to bring together the extremely diverse skills sets needed to lay the groundwork for the launch of the Vista Total Health Network.

Deliverables

Among the key early action steps New America plans to take are the following (as excerpted from the NAF concept paper (Longman opcit 2010):

Advisory Board Recruitment:

New America's network includes many influential healthcare policy intellectuals and practitioners. These include Leadership Council Members **Lois Quam**, whose distinguished background includes having served as the president and CEO of the Public and Senior Markets segment at United Health Group, and **Atul Gawande**, a surgeon at Brigham and Women's Hospital and the Dana Farber Cancer Institute, as well as a staff writer for the New Yorker

magazine. Other prominent individuals who might be expected to be helpful to New America in serving on an advisory board include former VA undersecretary **Kenneth Kizer**, who is widely credited for its turnaround, former U.S. Senator **David Durenberger**, and **Dr. Elliot S. Fischer** of Dartmouth Medical Center. **Dr. Donald Berwick**, formally of the Institute for Healthcare Improvement and the Harvard School of Public Health (and recent appointee to head the Centers for Medicare and Medicaid Services) has provided a strong endorsement of Mr. Longman's book, *Best Care Anywhere*, which appears on its cover.

Business Plan Development:

Coincidental with advisory board recruitment, New America will be reaching out to a broad range of experts for help in developing a full business plan for the Vista Network. This business plan will be designed to implement the specific organization described in the vision statement above, but it will also serve a broader public purpose in providing essential data and analysis to any other reform minded group interested in pursuing the establishment of a similar institution, whether at the local level or nationally. Special advisory teams will be formed on at least the following distinct areas:

- Governance Structure, including a model contract for the Network's relationship with affiliate providers.
- Market research, including information on local markets that offer the best opportunities for beginning to grow the network.
- Capital structure, including discussions regarding the possibilities for a new, financially engineered product that would take full advantage of the Network's tax exempt status and streams of government grants and other receivables.
- Delivery system, including refinement to, and improvements to, the VA model.
- Supply chain, including relations with VistA software support companies, as well as with device makers and hospital suppliers.
- Personnel, including recruitment of key managers and high profile medical professionals.
- Public Affairs, including building alliances with existing organizations representing community hospitals and clinics, as well as with the healthcare reform community more generally.

Many individuals can be expected to offer pro bono support, for both idealistic reasons, and because of the business and career opportunities involved in becoming associated with this enterprise. New America will also explore the possibility of working with business and medical school professors to involve graduate students in specific research projects related to the development of the business plan. Yet it will also be necessary to commission high quality work from a broad range of paid consultants.

Timeline

October 2010: Appointment of Advisory Board

November 2010: Appointment of Business Plan working groups

November 2011: Development of Full Business Plan

December 2010: Appointment of **"From VistA FOIA to VistA (2.0) Open Source by January 2014"** Working Group

April 2012: Board Selection

July 2012: Selection of Top Management

December 2012: Public Announcement of Vista Total Health Network

January 2014: Doors open (with system-wide transition from parallel running of VistA FOIA and VistA (2.0) Open Source, **to the latter**.

About the New America Foundation

The New America Foundation is an independent, non-profit public policy institute ("think tank") that was conceived through the collaborative work of a diverse and intergenerational group of public intellectuals, civic leaders, and business executives. Launched in 1999, the Foundation is guided by President and CEO Steve Coll and an outstanding Board of Directors. New America is headquartered in our nation's capital and also has a significant presence in California, the nation's largest laboratory of democracy.

New America sponsors a wide range of research, published writing, conferences, and events on the most important issues in the nation's public discourse. The Organization prides itself on being particularly solutions driven. Rather than identify and reevaluate our nation's problems (once again), New America produces creative, cutting-edge policy solutions designed to inspire lawmakers to think "outside the box."

About the New America Healthcare Policy Program

Having played a key role in the coming of comprehensive health insurance reform, New America's Healthcare Policy Program is now focused on delivery system reform. Progress towards universal coverage will be fleeting if the nation does not move immediately to contain costs and improve quality in ways broadly envisioned but only partially built into this last round of national reform.

Initial Nationwide, Not-for-profit Health Service Capitalization

Project 76's competitive edge and strategy for capitalizing the above outlined initiatives is to be derived by virtue of it being *the* most prepared, motivated, best positioned and most *resource capable* non-profit in America interested in this area. Project 76 will be in the best position to utilize its advantages either when the VA reveals its plans for the modernization of VistA, or when the New American Foundation announces its requested selection of an Advisory Board to oversee NAF's initiative to develop a complete business plan for the launch and initial operations of a national, Vista Total Health Network of non-profit healthcare providers, whichever occurs first.

In the interim, Project 76 will be taking the steps necessary to position itself for the initial public financial offering in this connection, with the proceeds to be dedicated to general organizing and capitalization expenses for related corporate affiliate and subsidiary entities, and for other general corporate purposes pursuant to this initiative, including providing for information technology installation bridge loans, and capital infusion costs.

These initial capital costs include:

- The Vista Total Health Network;
- A national healthcare supply, equipment and solutions intermediary;
- A nationwide, healthcare information database, entity;
- "Nationwide Qualified Health" and "Consumer Operated and Oriented" insurance plan units;
- A capital markets, corporate finance and charitable fundraising affiliate; and
- A brand; and public, donor, consumer, and government affairs public relations unit.

Generally, Project 76's capital market activities will entail credit market offerings of various structures, including but not limited to:

- "Subordinate Capital Notes;"
- "Senior Secured Sinking Fund Debentures;"
- "Zero Coupon Bonds;
- "Charitable Bonds;"
- "Contribution Bonds" and
- "Charitable Bond Funds;" and
- "Contribution Bond Funds,"

All of which to be available subject to strict complete compliance with all applicable securities laws and all applicable Securities and Exchange Commission rules and regulations.

Finally, any and all offerings of existing and/or authorized securities issued by Project 76 below listed characteristics:

- Safety;
- Liquidity;
- Competitive Yield;
- Indexed returns;
- Compound interest; and
- Tax advantages (in the event of related qualified, year of investment, charitable contributions).

RFI Information That DVA Requested

This submission contains "business sensitive" proprietary information. The author is not a technology professional but rather the duly authorized executive decision maker for all related entities but the New American Foundation, a collaborating but independent entity. It is informed by and liberally drawn from recommendations of the *VistA Modernization Report—Legacy to Leadership,* dated May 4, 2010 and issued by the *VistA Modernization Working Group* of the American Council for Technology, Industry Advisory Council.

The questions and answers, R—RFI for VistA Open Source (VA11810R10714):

1. What role should VA assume within an Open Source VistA EHR? Please consider areas including as a user, developer, maintainer, certifier, operator, and/or distributor of the Open Source VistA EHR.

If VistA (2.0) Open Source EHR is to be offered up as the national and "international standard information system for medical centers" the VA will have to have been seen as actively and continuously engaged with every aspect of the open source ecosystem from in which it was *reengineered* (including VA participation directly, and through contract agents and stakeholders in development, operation and certification issues).

Also, if VistA 2.0 OS is to become the de facto "standard' in HIT, those directing the HIT (hardware, software and consulting service) decisions of the proposed new, nationwide, not-for-profit health service provider network (that this submission described above) include commitments to the cost sharing, investing and partnering with VA in the development, operation, maintenance, certification and governance of the VistA 2.0 ecosystem, including support, along with the VA, for the continuing distribution of VistA FOIA during the period of required *parallel* operation of both VistA and VistA 2.0.

2. What role should Open Source (e.g. non-VA sponsored) developers assume within an Open Source VistA Ecosystem?

Every stakeholder, public, private or non-profit wishing to contribute to the open source open standards VistA 2.0, ecosystem would have any proposed contribution judged on the merits. That said, the technical and financial contributions of the top stakeholders—to include the VA and Project 76's NHS provider network and HIT units—would enjoy more prominence and influence--certainly, if they are prolific developers and/or the primary consumers of reengineered VistA (2.0) applications.

3. What specific functions of VistA Open Source, should VA be prepared to fund, underwrite or initiate?

Project 76's proposed NHS agrees that the "VA should contract with an appropriate Federally Funded Research and Development Center (FFRDC) to provide a detailed set of technical specifications for the development of a VistA 2.0 Open Source Core Ecosystem (the entirety of hardware, software and networks that drives the delivery of VistA 2.0 products and services, including:

- Open Source, Open Standards Operating environment;
- Open Source, Open Standards Application Development Environment;
- And Sand Box Application Development Environment, based on high level characteristics that ensure the ecosystem is optimized for: High performance; Security and identity management; and Scalability.

The operating environment must provide a scalable, segmented, open source, open standards environment that will provide the following components:

- Operating environment
- Security services
- Identity management
- Database functions
- Application programming interfaces
- Data structures and terminology
- Rules development and enforcement
- Test and certification environment.

The ecosystem must also natively support a structured open source application development environment that will provide the following common services:

- Trusted and approved application development tools, datasets, test cases and test, simulation and certification services and

A “sand box” application development environment that will provide the following common services:

- Application development datasets, test cases, test, and simulation services.

VA should contract with an appropriate FFRDC to build and deliver a fully functioning prototype based on the technical specifications developed by the initial FFRDC for the Open Source Core Ecosystem consisting of the:

Open Source, Open Standards Operating environment;

Open Source, Open Standards Application Development Environment; Sand Box Application Development Environment”(Modernization Report Op cit 2010)

VA should “contract with an appropriate FFRDC to provide and appropriate business model, bylaws, operating principles and organizational blueprint for an independent, not-for-profit Open Source Foundation to manage, operate and maintain the VistA 2.0 Open Source Core Ecosystem;” Modernization Report opcit 2010)

- VA should “charter and initially fund an independent, not-for-profit, Open Source foundation to manage, operate and maintain the VistA 2.0 Open Source, Open Standards Core Ecosystem, Open Source Application Development and Sand Box Application Development Environment;” (Modernization Report op cit 2010)

- VA “should contract with an appropriate FFRDC to provide the functional decomposition of the current VistA Application Suite to deliver a state of the art: Set of functional and design specifications of current application functionality; Set of functional and design specifications for required application functionality; and Set of functional and design specifications for additional

application functionality." (Modernization Report op cit2010)

4. How would VA go about participating and collaborating in the open source community for an effort like VistA?

   VA should "commit to and announce a plan to move to an open source, open standards model for the reengineering of the next generation of VistA (Vista 2.0)" Modernization Report op cit 2010);

   VA should "place the current VistA application on an aggressive program of stabilization, with limited tactical upgrades and enhancement driven only by patient safety and other mandated requirements;

   VA should determine what application functionality it wants to develop/acquire for the VistA 2.0 Open Source Core Ecosystem using:

   - Internal in-house application development resources;
   - External commercial application development resources;
   - Commercially available (off-the-shelf) products; and
   - Open source application development resources;

   VA should develop a master schedule for the acquisition of these applications and functional capabilities; and

   VA should develop and acquire the applications and capabilities based on the VistA 2.0 Open Source, Open Standards Ecosystem that meet its requirement and develop a plan and schedule for concurrent operations and migration from VistA to VistA 2.0." Modernization Report op cit 2010)

5. How would other federal agencies participate or benefit from and Open Source approach to VistA EHR?

   According to the Modernization Report, "the lessons learned are applicable and appropriate for other government agencies facing similar issues. Many older, large-scale government legacy software systems are serving adequately at the current time but are in need of modernization and/or re-engineering." The VistA Modernization Working Group has developed a series of processes and principles that have been documented and can be directly applied to other Departments and Agencies of the Federal Government.

6. How would VA induct and implement appropriately qualified software components (built by non-governmental entities and available via open source and/or licensed software channels) into the mainline of VistA?

   "VistA should not be 'modernized' in the sense of upgrading and updating current VistA in a traditional evolutionary model. VistA should be "reengineered" into VistA 2.0 in the sense of creating a new, open-source, open standards ecosystem within which the proven functional capabilities of

VistA can be replicated, modernized and enhanced in a sustainable, scalable, and secure environment." Beyond that the "VA should [co-]sponsor [along with Project 76's NHS] an open-source community to promote the continued development and extension of VistA 2.0 functionality and associated business rules."

7. Would a truly open source version of VistA accelerate, promote, extend, and/or grow VistA capabilities in ways that would also simultaneously benefit Veterans and Taxpayers?

   "Given the resources that VA has expended to date and can bring to bear in the future on this issue (matched by those of our NHS, HIT and non-profit provider units, already serving 28 million consumers), VistA2.0 should be offered up as the international standard information system for medical centers. Not only would this result in huge financial savings for taxpayers and in the health care community, VistA 2.0 would advance evidence based medicine, medical research, data standardization and portability." (Modernization Report op cit 2010)

8. What impacts, consequences, and risks would there be to the government from pursuing an Open source strategy for Vista?

   The government (VA) sharing the cost of reengineering to VistA 2.0 with a national not-for-profit health service and provider network mitigates the risks to the VA in 1) the financial commitment required to modernize VistA and 2) the time commitment required to develop VistA 2.0 on a modern platform, as the aggressive planning already underway for the new nationwide health service and non-profit provider network is fortunate because these risks are crucial components of a successful evolution of VistA 2.0.

9. What are the intellectual property rights and licensing issues?

   "The capability to incorporate Commercial Off the Shelf (COTS) software in conjunction with open source VistA 2.0 platform version is a critical component of the vibrant ecosystem envisioned. This will allow the VA and the broader community using the VistA 2.0 platform to quickly implement new applications. This requires that the open source license allows linking with proprietary commercial software. The actual licenses adopted should be a decision made by the governing entity (which presumable has intellectual property expertise and experience) in close consultation with VA and other existing and potential stakeholders. Examples of this type of license resolution would include Apache License Version 2, Common Public License, Eclipse Public License, and Mozilla Public License (Version 1.1)." (Modernization Report op cit 2010)

10. What are the methods for certification and adoption?

    "A proper selection of license types will strengthen the commercial ecosystem as

well as open source community for health related applications development. The selection of one or more licenses types would be based on the ability to foster open source development and a vibrant open source community based on the VistA 2.0 Platform and tool set. Ideally, users of the 2.0 VistA Platform would have a wide array of both open source and commercial applications from which to choose. This choice would provide a strong incentive to adopt the VistA 2.0 platform. In turn, wide spread adoption would encourage the development of additional applications." Modernization Report op cit 2010)

11. What are the mechanics of governance and who would be the stakeholders?

    The Vista Modernization Report recommends, and we fully agree, that the VA should charter and initially fund an independent, not-for-profit, Open Source foundation to manage, operate and maintain the VistA 2.0. The three most feasible approaches to establishing Governance for the VistA 2.0 platform, and the open source applications that will be written to operate on it, are:

    - Establish a new entity to carry out the governance of VistA 2.0 in accordance with the principles provided by the recommending FFRDC (we are willing, after initial VA funding, to be the primary underwriter to support this option);
    - Select an existing open source organization with a charter, license agreements, and operational procedures, that would adopt the principles provided by the recommending FFRDC and be an immediate starting point for VistA 2.0 governance (we do not rule out such an acquisition, subject to the details); or
    - Have an FFRDC provide governance directly based on the principles provided by the recommending FFRDC.

12. Should the VA/Government administrate the governance process? If not, what governance approach should be utilized?

    "VA should establish effective governance for the VistA 2.0 Open Source Core Ecosystem as quick as possible. This governance should be based on the recommendations provided by the FFRDC tasked with providing an appropriate business model, bylaws, operating principles and organizational blueprint for an independent, not-for-profit Open Source Foundation." (Modernization Report op cit 2010)

13. What other topics should the government consider when managing Open source development and governance not seen in this RFI?

    Please consider the highly relevant and extremely interdependent, non-technical context of this RFI submission.

14. What might the consequences be of doing any of the above?

Not acting in this defining hour could have terrible consequences for our country.

"VistA is currently deployed to a small community of public, private and international users outside the VA. However, because it is very difficult to operate and expensive to modify it has not had a much wider adoption. That said, the VistA Modernization Working Group recommends that VistA be used as a functional specification and be completely reengineered within the VistA 2.0 Open-source, Open-standards Ecosystem so that a much wider community, including over 10,000 community health centers, public hospitals, medical schools and clinics serving well over 35 million Americans, for example, can adopt and extend VistA more readily."

"The national and international health care communities desperately want and need an appropriate, consistent and dependable "guide star" architecture, development environment, and reusable components within a fair, open and collaborative community. While the Vista Modernization Report focused on solving VA's challenges, it felt obligated to at lease mention that [a reengineered] VistA has larger Federal, national and even international implications."

Our proposed non-profit health service and national network of providers is not really an option without a robust re-engineered VistA 2.0. As such, it can be said that the future U.S. healthcare delivery is on the line for its economy for a would-be **majority** of American healthcare consumers within the next decade. Further, based upon the proven VA turnaround following the adoption 20 plus years ago of the original VistA, and the cost saving and documented improvements at VA, it is quite probable with adoption of VistA 2.0 over a broad enough base in America, consumers, health care costs could come down by a factor of two as a percent of GDP, over that same period.

Summary

The developing nationwide, **Not-for-profit Health Service**, and the proposed national, digitally linked, non-profit providers of the **Vista Total Health Network**, are solutions to the problem of there NOT existing in the private sector a single HIT or healthcare "consumer intermediary" that demonstrates the dominance, influential or effectiveness that the VistA platform, and the *Department of Veterans Affairs* have, in the public sector.

This solution will:

- Facilitate a *timely* reengineering of the VA VistA platform (while preserving the functionality and business process at it core), into VistA 2.0 Open Source; and

- In the intervening 3-4 year time period between when that desirable result is achieved and now, it will facilitate a near *immediate* momentum for the adoption

and installation of VistA FOIA throughout the non-profit provider healthcare universe; and

- Thereafter, it will facilitate the "unanimous" recommendation of the **VistA Modernization Report** regarding the necessary "parallel" operation of VistA FOIA and VistA 2.0; and

- Make a declaration and demonstration of immediate commitment, and **financial** capability (via an initial and a recurring access to credit capital markets) to underwrite the largest proportion the original expense and ongoing capital costs that will be necessary in order to insure, along side the indispensable credibility and Department of Veterans Affairs commitment to a "hands-on" role in establishing the initial, continuing and future integrity of a **VistA 2.0 Open Source Core Ecosystem**;

  And, thereby, to help VA make possible the establishment "de-facto" of VistA FOIA and VistA 2.0 Open Source as the "standard" for HIT deployment, going forward.