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Title 38 Pay Extends to DoD Physicians in 2011

By January 1, 2012 all DoD physicians and dentists will be paid under United States Code (U.S.C.) title 38, the same pay system that covers the majority of Department of Veterans Affairs physicians and dentists. Once the conversion to title 38 is complete, DoD physicians will join those at the Centers for Disease Control (CDC), the Food and Drug Administration (FDA) and the Indian Health Service (IHS) in a modified title 38 pay system.

While the National Institutes of Health has authority to pay physicians under title 38, NIH personnel have indicated that there are about 100 title 38 physicians at NIH. The majority of NIH physicians are paid under title 42. The next issue of the *Federal Physician* will have more information on title 42.

Once the conversion is completed, the number of federal physicians eligible for and receiving the Physicians Comparability Allowance (PCA) will be a very small percentage of all physicians in the federal government. This is one of the reasons the Federal Physicians Association is working to revise the annual PCA report to include all types of physician pay. (See the story on page 1 below)

In August, DoD issued Instruction Number 1400.25 to establish policy, assign responsibilities and provide guidance for setting the pay of DoD civilian physicians and dentists, under the Physicians and Dentists Pay Plan (PDPP.) DoD will follow the pay table established by the Secretary of Veterans Affairs.

One important part of the policy states: **"Physicians and dentists will be compensated at levels that are reasonably comparable with the total pay of physicians and dentists employed in similar positions in other federal healthcare facilities and in the private and non-federal sectors."** FPA hopes that this policy will significantly reduce the inequities that have existed in the application of the PCA in DoD.

The policy states that a physician or dentist must not suffer any loss in pay upon initial

See **TITLE 38** *page 8*

FPA Wants To Reduce Inequities in Federal Physician Pay

Proposes Changes to Annual Physicians Comparability Allowance (PCA) Report

According to the most recent PCA report by the Office of Personnel Management (OPM), about 17 percent of the 18,474 fulltime civilian physicians employed by the federal government—a total of 3,196—are eligible for PCA. By January 2012, when DoD converts all physicians to the Department of Veterans Affairs title 38 pay system, the vast majority of federal physicians will not be eligible for the PCA.

Title 38 pay includes market pay (see the article above) and has a number of pay ranges based on specialties and responsibilities. The Federal Physicians Association believes that all federal physicians should have information available on the pay of their counterparts, including the details of market pay by specialty and geographic area.

The annual PCA report is required by Section 5948(j) of title 5, United States Code, and requires the President or his designee to report annually to Congress on the operation of the physicians' comparability allowance (PCA) program, including information on which agencies use the allowance; the nature and extent of recruitment and retention problems justifying the use of the allowance by each agency; the number of physicians entering into PCA service agreements by agency; the size of the allowances and the duration of the agreements; and the degree to which the allowance alleviates recruiting and retention problems.

See **INEQUITIES IN PAY** *page 2*

Health Care Reform Act Establishes Patient-Centered Outcomes Research Institute

One of the provisions in the health care reform legislation, the Patient Protection and Affordable Care Act created the Patient-Centered Outcomes Research Institute, a non-governmental institute charged with examining the "relative health outcomes, clinical effectiveness, and appropriateness" of different medical treatments by evaluating existing studies and conducting its own. Its 19-member board includes patients, doctors, hospitals, drug makers, device manufacturers, insurers, payers, government officials and health experts. It will not have the power to mandate or even endorse coverage rules or reimbursement for any particular treatment. Medicare may take the Institute's research into account when deciding what procedures it will cover, so long as the new research is not the sole justification and the agency allows for public input.

The law governing the Institute forbids it to develop or employ "a dollars per quality adjusted life year" (or similar measure that discounts the value of a life because of an individual's disability) as a threshold to establish what type of health care is cost effective or recommended

The Institute will establish and execute a national Comparative Effectiveness Research (CER) agenda by identifying research priorities and funding and facilitating new CER studies. These studies will consist of both systematic reviews of existing evidence and new prospective research, including clinical trials and observational studies.

The specific duties of the Institute are to:

- Establish an objective research agenda;
- Develop research methodological standards;
- Contract with eligible entities to conduct the research;
- Ensure transparency by requesting public input; and
- Disseminate the results to patients and healthcare providers.

A variety of entities are eligible to receive funding contracts, including federal agencies, academic institutions, and private research organizations. The Agency for Healthcare Research and Quality (AHRQ) and the National Institutes of Health (NIH) will receive priority funding consideration

The Institute will be funded through the Patient-Centered Outcomes Research Trust Fund (PCORTF), which will consist of funding streams from general revenues, an annual $2 fee per Medicare beneficiary transferred from the Medicare Trust Fund, and an annual $2 fee per-covered-life assessed on private health plans The Medicare Trust Fund transfer and annual fee on insured and self-insured plans does not take effect until 2013. By 2015, total annual funding for the Institute will reach nearly $500 million.

INEQUITIES IN PAY *from page 1*

In 2011, FPA plans to meet with officials from OPM to ask for the Administration's support to amend the legislation on the PCA report to:

(1) Modify the report to include all types of physician pay, including the PCA, title 38 pay and title 42 pay and,

(2) Include physician market pay by specialty, geographic area and agency.

FPA's request is consistent with the increase in government transparency championed by President Obama.

In the event the Administration decides to undertake an extensive review of FPA's proposed changes to the annual PCA report, FPA will work with Congress to identify a representative and senator to sponsor the legislation. How successful FPA will be in persuading a member of Congress to sponsor the legislation depends on how many FPA members are willing to write to Congress supporting FPA's proposal.

Since the result of FPA's proposal should be more information on federal physician pay being available, it should, over time, reduce the inequities in the pay of physicians working for the federal government.

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2009 Physicians Comparability Allowance (PCA) Report

According to the most recent report by the Office of Personnel Management (OPM), about 17 percent of the 18,474 fulltime civilian physicians employed by the federal government—a total of 3,196—are eligible for PCA. Nearly seven percent, or 1,274, received PCA payments in FY 2009. A total of 15 agencies provided approximately $28 million in PCA payments to 1,274 federal physicians. The report is evidence of the declining use of the PCA. Over the past four years, OPM's reports have disclosed the following on the use of the PCA:

Year	Physicians Eligible to Receive PCA	Physicians Receiving PCA	Percentage Eligible Receiving PCA	Total PCA Payments
FY 2009	3,196	1,274	40 percent	$ 28 million
FY 2008	3,334	1,422	41 percent	$ 33 million
FY 2007	4,188	1,883	45 percent	$ 40 million
FY 2006	3,539	1,737	49 percent	$ 37 million

Background

The PCA statute authorizes agencies that document severe recruitment and retention problems to pay an allowance to physicians of up to $14,000 per year for physicians with 24 months or less of service as a government physician and up to $30,000 per year for physicians with more than 24 months of service as a government physician. The PCA incentive was originally authorized by Public Law 95-603 in 1978 (5 U.S.C. 5948) after extensive lobbying by the Federal Physicians Association.

Further FPA lobbying resulted in the program being authorized on a permanent basis by Public Law 106-571 in December 2000 and the maximum allowable PCA was increased from $20,000 to $30,000 per year in October 1998 by Public Law 105-266.

The statute authorizes PCA payments to solve significant physician recruitment and retention problems. For the purposes of this allowance, severe recruitment and retention problems are considered to exist if all of the following conditions apply: long-lasting position vacancies; high turnover rates in positions requiring well-qualified physicians; applicants lacking the superior qualifications necessary for the position; and difficulties in filling existing vacancies with well-qualified candidates without PCA payments.

These PCA-eligible physicians were generally covered by title 5, United States Code, as General Schedule (GS) employees or Senior Executive Service (SES) members. Most of the non-PCA federal civilian physicians were covered by the Department of Veterans Affairs physicians pay system (authorized under title 38, U.S. Code). In addition, 942 federal civilian physicians employed under the Department of Defense National Security Personnel System did not receive PCA payments because they are not eligible for this allowance.

Summary of PCA Usage in the Federal Government

The recruiting and retention needs that justify use of PCA payments vary widely across the government. Some agencies require physicians with special expertise in areas such as biomedical research or oversight of medical disability program criteria. Some agencies require physicians to live and work in remote areas. Other agencies face challenges because local non-federal competition for physicians has pushed compensation requirements above the rates provided by the GS and SES pay systems.

Largest PCA Users. Agencies reported additional information on organizational components that employ more than 100 physicians receiving PCA. Table 4 summarizes information on the largest users of the PCA incentive.

The largest users of PCA in FY 2009 were five sub-agency components of the departments of Defense, Justice, and Health and Human Services, as follows: Department of the Army (333), Bureau of Prisons (202), National Institutes of Health (172), Indian Health Service (105), and Centers for Disease Control and Prevention (73). These five subcomponents accounted for nearly 70 percent of all PCA recipients.

Agency Use of PCA in FY 2009

	No. Physicians Eligible for PCA	No. Physicians Receiving PCA	Average PCA	Average Compensation*
DoD	692	521	$ 19,907	$ 144,754
Bureau of Prisons	218	202	$ 21,378	$ 149,083
Nat'l Institutes Of Health	Not available	172	$ 26,024	$ 165,834
Indian Health Service	Not available	105	$24,845	$169,739
Centers for Disease Control**	Not available	73	$ 21,041	$ 124,032
Department of State	70	70	$ 28,523	$ 153,375
NASA	34	28	$ 13,399	$ 148,698

*Not including PCA

** As of September 2010, there were only 20 CDC physicians receiving the PCA

DoD Physicians and Dentists Clinical Specialty Pay Tables

(Pay tables and ranges are the current Department of Veterans Affairs title 38 pay ranges)

PAY TABLE 1 AND CLINICAL SPECIALTIES

TIER LEVEL	MINIMUM	MAXIMUM
TIER 1	$96,539	$195,000
TIER 2	110,000	210,000
TIER 3	120,000	235,000
TIER 4	130,000	245,000

Covered Clinical Specialties—Allergy & Immunization, Endocrinology, Family Practice, General Practitioner, Geriatrics, Hospitalist, Infectious Diseases, Internal Medicine, Neurology, Pediatrics, Preventive Medicine, Primary Care, Psychiatry, Rheumatology, General Practice-Dentistry, Endodontics, Periodontics, Prosthodontics, Other Assignments (Specialties not listed for Tables 2-4)

PAY TABLE 2 AND CLINICAL SPECIALTIES

TIER LEVEL	MINIMUM	MAXIMUM
TIER 1	$96,539	$220,000
TIER 2	115,000	230,000
TIER 3	130,000	240,000
TIER 4	140,000	250,000

Covered Clinical Specialties—Aerospace Medicine, Critical Care (Board Certified), Emergency Medicine, Gynecology, Hematology-Oncology, Nephrology, Obstetrics, Occupational Medicine, Pathology, Physical Medicine & Rehabilitation/ Physiatry/Spinal Cord Injury, Pulmonary, Undersea Medicine

Did You Know?

The founding members of the Federal Physicians Association were also responsible for lobbying Congress to pass legislation that created the Physicians Comparability Allowance.

PAY TABLE 3 AND CLINICAL SPECIALTIES

TIER LEVEL	MINIMUM	MAXIMUM
TIER 1	$96,539	$265,000
TIER 2	120,000	275,000
TIER 3	135,000	285,000
TIER 4	145,000	295,000

Covered Clinical Specialties—Cardiology (Non-Invasive), Dermatology, Gastroenterology, Nuclear Medicine, Ophthalmology, Oral Surgery, Otolaryngology

PAY TABLE 4 AND CLINICAL SPECIALTIES

TIER LEVEL	MINIMUM	MAXIMUM
TIER 1	$ 96,539	$295,000
TIER 2	125,000	305,000
TIER 3	140,000	325,000
TIER 4	150,000	335,000

Covered Clinical Specialties—Anesthesiology, Colorectal Surgery, General Surgery, Plastic Surgery, Radiation Oncology, Radiology, Refractive Surgery, Therapeutic Radiology, Trauma/Critical Care Surgery, Urology, Urologic Surgery, Vascular Surgery

PAY TABLE 5 AND CLINICAL SPECIALTIES

TIER LEVEL	MINIMUM	MAXIMUM
TIER 1	$96,539	$375,000
TIER 2	140,000	385,000

Covered Clinical Specialties—Cardio-Thoracic Surgery, Cardiology (Interventionalist), Radiology (Interventionalist), Neurosurgery, Orthopedic Surgery

Controversy Continues over Federal Pay

Beginning with a December 2009 front-page story in *USA Today* that reported that the number of federal employees earning over $100,000 a year increased from 14 percent to 19 percent from December 2007 to June 2009, there have been an increasing number of reports on overpaid federal employees. On August 10, *USA Today* published an article that reported federal employees are paid twice what their counterparts in private industry are paid.

Apparently the public agrees with the notion that federal employees are overpaid. In a Rasmussen survey of 1000 respondents conducted by phone in August 2010, 54 percent said federal employees are overpaid.

The Director of the Office of Personnel Management, John Berry, has been weighing in on the issue, noting:

"Recent press stories regarding pay for federal employees compared to private sector workers are unfair and untrue. Simply put, these stories have compared apples to oranges. Federal workers are not paid double the private sector. The Cato Institute and USA Today stories quoting Cato staff (and similar statements from the Heritage Foundation) look only at gross averages, including retail and restaurant service workers and other entry-level positions that reduce private sector average pay in comparison to the federal average, which does not include many of these categories in its workforce."

Some of the recent reports and statements about federal employee pay are summarized below.

Heritage Foundation Claims Federal Employees Overpaid

In a July 9 report, "The Case for Federal Employee Compensation Reform," the Heritage Foundation states that, "Salaries and benefits—for identical jobs—are 30 percent to 40 percent higher in the federal government than in the private sector." Further, the report says that claims that this dramatic discrepancy in compensation is warranted because of government workers' high skills are unjustified. Equally unjustified is the fact that federal workers can rarely be fired, no matter how poor their job performance. Congress should align federal salaries and benefits with market rates—a simple and fair move that could save taxpayers $47 billion in 2011."

The report states that the average federal hourly cash earnings are 22 percent above the average private worker's pay. It also reports that the average private sector employer pays $9,882 per employee benefits while the federal government pays an average of $32,115 per employee.

The report also recommends that Congress should not uniformly reduce the pay of all federal employees since not all federal employees are overpaid. The report makes several recommendations:

- Congress should abolish the General Schedule and implement performance-based pay
- Government should hire more contractors
- Congress should reduce federal benefits
- Congress should allow government managers the same discretion to remove poor performers as that of private sector managers

USA Today Reports Federal Employees Overpaid

In an August 10 story, *USA Today* reports that on average, federal employees earned $71,206 per year, compared to $40,331 in the private sector. From December 2007 through June 2009, average federal employee salaries increased by 6.6 percent, while average private-sector salaries increased by 3.9 percent. Federal employees at the top of the pay scale received pay increases of 8.6 percent during that period.

The *USA Today* article reports that federal employment is getting top-heavy. Federal employees making more than $100,000 increased from 14 percent to 19 percent of total government employment. The article states that, in fact, the number of federal employees making more than $100,000 has more than doubled in less than two years. There are now more federal employees making more than $100,000 per year than making $40,000 per year. According to other government data, federal employees make almost *double* what private-sector employees make when benefits such as health care and retirement are included ($119,982 vs $59,909).

The *USA Today* article also states that federal government employment is far more secure than private-sector employment. In the past 10 years, private sector employment has grown by a mere one percent, while federal employment has grown by nearly three percent. Excluding the U.S. Postal Service employment, federal employment has increased by more than 15 percent.

OPM Director John Berry has this to say about the *USA* Today article: "The Administration is committed to reducing costs in government while providing high-quality services to the American people. Three percent of federal employees earn above $150,000. In fact, most federal employees are middle-class Americans. The clear majority of high earners are highly specialized experts in their fields and many of them hold positions where lives are on the line. These include doctors who are treating our wounded veterans, scientists who are researching cures for diseases, and counter-terrorism experts who are protecting the American people every day. And, in almost all cases, they earn less than their counterparts in the private sector."

The incoming majority whip, Rep. Eric Cantor, R-VA, the second highest Republican in the House said, "Americans are fed up with public employee pay scales far exceeding those in the private sector."

Public-Private Wage Gap Widens

The latest national workplace data show that the wage gap between the public and private sector has widened, with private-sector workers getting more pay than their government counterparts. The analysis from the Bureau of Labor Statistics shows that, for 2010, the pay gap has grown to an average 24 percent. BLS surveys public and private-sector employees performing similar work in the same geographic area.

10 Biggest Mistakes Federal Employees Make When Planning for Retirement (and How to Avoid Them)

By Edward A. Zurndorfer, Certified Financial Planner reprinted from Federal News Radio and www.myfederalretirement.com

This article discusses the 10 biggest mistakes that many employees make during their years in federal service prior to retirement. It is hoped that this discussion will assist all employees—especially those employees in mid-career or those who are relatively new to the federal government—to not overlook these tasks and therefore be able to achieve the goal of retiring when they want to. The following list is not in any particular order of importance or priority.

Reasons six through 10 will be published in the next issue of the *Federal Physician*.

Mistake #1: Failure to carefully review personnel records.

Employees should routinely review and make sure that the information contained in their Official Personnel Folder (OPF) is correct and current; in particular, Form SF 50 (Notice of Personnel Action), which is updated annually. Form SF 50 contains some extremely important pieces of retirement-related information. In particular, Box 30 of form SF 50 that is entitled "retirement plan," officially states which retirement plan an employee is covered by. This includes the Civil Service Retirement System (CSRS), CSRS-Offset, or the Federal Employees Retirement System (FERS). Employees should check to make sure they are in fact covered by the correct retirement system. Unfortunately, there have been cases in which federal employees were placed in the wrong retirement system at the time they were hired and did not discover that fact until they were very close to their anticipated retirement date.

Box 31 of Form SF 50 is entitled "Service Computation Date" (SCD) (usually accompanied by the word "leave" in parenthesis). The SCD for "leave" usually denotes a federal employee's original entry date into federal service. But there could be exceptions to that. For example, if an employee had active military service or civilian temporary time (sometimes called "nondeduction" service), then the SCD for annual leave will usually be adjusted backwards (the employee gets credit for annual leave hour accrual purposes according to the number of years the employee spent in the military or in "nondeduction" service) unless the employee is an active duty military retiree. An employee also receives credit for annual leave purposes for time working as a temporary or a seasonal employee, or as a "non-appropriated funds" (NAF) employee

The SCD for retirement purposes is usually the date an employee started contributing to his or her retirement system, whether it is CSRS or FERS. But there may be exceptions to the SCD for retirement being the day an employee started contributing to either CSRS or FERS. For example, a CSRS or CSRS-Offset employee who entered federal service prior to Oct. 1, 1982 with prior military service or temporary ("nondeduction") service automatically receives credit for retirement purposes for these types of services. An employee who leaves federal service and withdraws his or her retirement contribution and then re-enters federal service will have an adjustment in SCD for retirement.

The SCD for retirement is one of the two factors that will determine when an employee can retire and how much of a CSRS or FERS annuity the retiring employee will receive. Employees are therefore encouraged to verify their SCD-retirement with their personnel offices.

Employees should also review their OPF and take note of the following items that can affect their eligibility for retirement and the computation of their CSRS or FERS annuities: (1) beginning and ending dates of each separate period of service; (2) type of retirement coverage—CSRS, FERS, FICA, or none; (3) type of appointment—temporary, intermittent, WAE (When Actually Employed), part-time, career, or career conditional.

Employees should note that their "leave and earnings" statements, usually showing the SCD for retirement, may not be the same as their official SCD for retirement.

Mistake #2: Failure to make timely requests estimates of unpaid deposits or redeposits.

Many employees are not aware that by making a deposit for military or temporary ("nondeduction") time, they push their SCD for retirement backwards, thereby increasing their service time and ultimately the amount of their CSRS or FERS annuities. Another result of making a deposit is perhaps being able to retire earlier than they first expected. Employees who were in federal service, left federal service and withdrew their CSRS or FERS contributions but subsequently reentered federal service, can redeposit their withdrawn contributions (usually with interest charges), thereby restoring the years of service that were lost as a result of withdrawn CSRS or FERS contributions. Some employees are told about their deposits or redeposits later in their careers, thereby owing and paying more in interest charges.

Mistake #3: Failure to fill out and, if necessary, update beneficiary designations.

The following beneficiary forms should be filled out and, if necessary, updated—for example, if the employee gets married or divorced, etc: (1) Form SF 1152, Designation of Beneficiary for Unpaid Compensation and Unused Annual Leave of a Deceased Federal Employee; (2) Form SF 2823, Designation of Beneficiary of Federal Employees Group Life Insurance (FEGLI); (3) Form TSP 3, Thrift Savings Plan (TSP) Beneficiary Designation; (4) Form SF 2808—CSRS and CSRS-Offset employees: Designation of Beneficiary of CSRS Contributions, or Form SF 3102—FERS employees: Designation of Beneficiary of FERS Contributions.

Mistake #4: Failure to understand the rules for maintaining federal health insurance (FEHB) during retirement.

Many federal employees fail to understand the rules for keeping for retirement their health insurance benefits offered through the Federal Employees Health Benefits Program (FEHB). Note

See **10 MISTAKES** *page 9*

In Brief

President Issues Pay Freeze Executive Order

On December 22, the President issued an executive order making official the two-year pay freeze he proposed and Congress approved December 21, 2010. The pay freeze was included in legislation to fund the federal government through early March 2011. The freeze applies to all civilian employees, including agencies with alternative pay systems, Senior executives will not be eligible for base salary increases and locality pay will remain at 2010 levels. The freeze also affects agency heads that have the "administrative discretion" to adjust pay schedules on their own initiative. He said such officials "should not provide any upward adjustments in federal employees' pay schedules or rates during the two-year period covered by the statutory pay freeze."

The new chairman of the House Subcommittee on Federal Workforce, Postal Service and the District of Columbia, Rep. Jason Chaffetz, R-UT, supports a freeze on within grade increase and a 10 percent cut in federal salaries. The Federal Physicians Association will e-mail its members updates on the pay and benefits legislation considered by Chaffetz's subcommittee.

President Obama may exempt air traffic controllers from the impending government-wide pay freeze because the Federal Aviation Administration has a separate pay and personnel system from the standard government General Schedule, and, in the system, controllers are allowed to collectively bargain over pay.

Tax Bill Extends Transit Benefits

The tax cut legislation signed by the President on Dec. 17 extends the maximum payment of $230 a month for transit benefits until Dec.31, 2011. The benefit was due to expire on Dec. 31. The benefit is either a pretax employee contribution or a reimbursement from the department/agency.

Obama Signs Telework Expansion Act

On Dec.9 President Obama signed the telework legislation. Under the law agencies have 180 days to establish a policy on working outside the office, identifying eligible employees and informing them of the option. The law also requires agencies to name an official to manage telework programs, and incorporate the policy into plans for continuing essential services during natural disasters or other emergencies.

New Sick-Leave Policies Take Effect Jan. 3

Beginning Jan. 3, federal employees will have expanded access to sick-leave to care for injured service members or family members exposed to communicable diseases. Federal employees will be allowed to substitute up to 26 weeks of sick-leave for unpaid leave accumulated under the 1993 Family and Medical Leave Act to care for injured or ill service members. Agencies also can permit up to 30 days of advanced sick leave to be used for this purpose.

The new policy also defines when sick-leave can be used in cases of communicable diseases, including the flu. Sick-leave will be authorized only in situations the Centers for Disease Control and Prevention believes will threaten public health. Current sick-leave policies allow an employee to take leave if his or her presence at work would jeopardize coworkers' health. The final rule grants leave to care for a family member who has been similarly exposed. According to a final rule issued in June, current leave policies cover family members such as grandparents and grandchildren; same-sex domestic partners; stepparents and stepchildren; and foster children and other guardian relationships.

Partnership Issues Hiring Guide For Federal Managers

The Partnership for Public Service has released a new guide to help address concerns that agency managers are not adequately involved in hiring, leaving too much in HR's hands. "What's My Role?" aims to help HR personnel and federal managers work together to recruit the best, most appropriate people into federal service. The guide offers five sections with step-by-step instructions on how agency managers and HR professionals can cooperate to improve hiring outcomes.

Per Diem Rates Drop In Many Locations in FY 2011

Beginning Oct. 1, per diem rates for lodging dropped in 310 of the 378 non-standard metropolitan areas. The new rates reflect a decline of 5.73 percent in the cost of lodging from FY. Per diem rates for meals and incidental expenses did not change; they will range from $46 to $71. Federal employees can look up per diem rates by city, state and Zip Code at: www.gsa.gov/portal/category/21287.

The per diem rate in the Washington, D.C. area in FY 2011 will range from $157 to $211, depending on the time of year; in FY 2010 the rates ranged from $170 to $229. According to the General Services Administration (GSA), which sets per diem rates, the Washington, D.C. area is the top travel destination for federal employees. GSA reports that expenses for employee travel to the Washington, D.C. area totaled $299.9 million from January 1 through June 30, 2008.

New Web Site To Monitor Federal Travel Excesses

A new website, junketsleuth.com, has been launched to focus on wasteful travel by federal employees. The website cites 400 employees of the U.S. Department of Health and Human Services who have racked up more than a $100,000 each in taxpayer-funded travel since 2005. An analysis of the Department of Health and Human Services computerized travel database, obtained by JunketSleuth through the Freedom of Information Act, shows that more than half of the trips by department employees fell into such categories as meetings, conferences, training sessions and speeches.

OPM Extends Federal Leave Without Pay to Same-Sex Couples

On Sept. 10 the Office of Personnel Management directed agencies to extend 24 hours of leave without pay to federal employees and their same-sex domestic partners each year. The benefit would allow employees with same-sex domestic partners to attend school functions, such as parent-teacher conferences, and volunteer activities; accompany children to medical and dental appointments; and care for elderly relatives, including attending routine appointments and arranging for housing or food needs.

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conversion to the PDPP.

The provisions in the instruction do not apply to physicians covered by the National Security Personnel System (NSPS), members of the Senior Executive Service and those serving in internships and residency training programs. DoD is working on a policy to apply to physicians employed under NSPS.

Responsibilities

Under the guidance of the Health Professions Civilian Compensation Standing Committee (HPCCSC), DoD component military treatment facility commanders will operate local compensation panels. Heads of the DoD components will serve as authorized management officials in all determinations of market pay amounts for civilian physicians and dentists. This authority can be delegated to the command or activity level, but no lower than the Executive Officer or Deputy Commander.

Pay Grades and Ranges

Annual pay for physicians and dentists will consist of Base Pay and Market Pay. Annual pay is basic pay for the purposes of computing civil service retirement benefits, lump sum annual leave payments, life insurance, thrift savings plan, workers' compensation claims, severance pay, foreign and nonforeign cost-of-living allowances, danger pay, recruitment, relocation and and retention incentives, continuation of pay and authorized advances in pay.

Every two years the Secretary of the Department of Veterans Affairs establishes pay tables and prescribes minimum and maximum amounts of annual pay. Pay tables will be established based on data from two or more national surveys of pay for physicians and dentists. The national surveys include data that describes overall physician and dentist income, exclusive of benefits, by specialty or assignment covering a broad geographic area.

There may be up to four tiers for each specialty with a pay table. Physicians and dentists will be assigned to tiers based on the scope of their responsibilities. The tiers are expected to be similar to those used by VA, described below. Each tier reflects different professional responsibilities, professional achievements, or administrative duties. The tier definitions for the annual pay ranges established for individual clinical specialty schedules are as follows:

(1) **Tier 1.** Staff
(2) **Tier 2.** Service chiefs, section chiefs and other supervisors or program managers
(3) **Tier 3.** Network-level program manager and/or network-level supervisory responsibilities within the specialty
(4) **Tier 4.** National program responsibilities that may include designation as a Chief Officer or Chief Consultant, or other assignment that meets the level of responsibility equivalent to that of a national level

Current minimum and maximum amounts for the VA pay tables are published on page 3.

Base Pay

The pay grades of individual physicians and dentists will be determined by the GS system. The maximum base pay for a physician or dentist is the base pay for a GS-15, step 10. The authorized management official cannot reduce a physician's or dentist's market pay to offset base pay increases. The two-year freeze on federal employees will mean that there will be no cost-of-living increase to GS base pay for 2011 and 2012.

Market Pay

Physicians and dentists will be eligible for market pay, a supplement to base pay, in lieu of locality pay. A compensation panel, comprised primarily of physicians and dentists and human resources compensation specialists, will recommend the appropriate tier and market pay amount for each physician and dentist.

Compensation panels will make recommendations on market pay amounts for individual physicians according to the following criteria:

(1) The physician's and dentist's level of experience in the specialty, whether with DoD, another government entity or the private sector
(2) The need for the specialty at the military treatment facility to which the physician or dentist is assigned
(3) The healthcare labor market for the specialty, which covers the area the authorized management official deems appropriate. Labor market information will be based on health professional salary surveys obtained by the DoD
(4) The physician's or dentist's board certifications, if any
(5) The accomplishments of the physician or dentist in the specialty or assignment
(6) Other unique circumstances, qualifications, or credentials the compensation panel considers appropriate
(7) Compliance with merit systems principles

The amount of market pay at the time of the initial conversion will consider the

(1) Physician Comparability Allowance
(2) Premium pay
(3) Locality pay
(4) Special salary rate supplement

When there are disagreements between the authorized management official and the compensation panel on the tier assignment or amount of market pay for an individual physician, the determination will be resolved by the authorized management officials. Until the amount of market pay is determined, the physician or dentist will receive base pay only. Market pay must be approved within 30 days following the referral of the disagreements to the HPCCSC.

Once set, an individual's market pay may not be reduced unless there is a change in the physician's or dentist's assignment, including a change in duty station, change in facility or a reassignment to a different position in the same facility.

10 MISTAKES *from page 6*

that both employees and annuitants pay on average 28 percent of the total FEHB premiums with the federal government paying the remaining 72 percent.

The rule is that an employee must retire on an immediate annuity (one that begins within 30 days after separation) or on a postponed annuity under the Minimum Retirement Age (MRA +10) provisions of FERS. In addition, the employee must be covered by FEHB under his or her own enrollment, or as a family member under another FEHB enrollment, for the five years of service immediately preceding retirement or since the retiring employee's first opportunity to enroll in FEHB.

Mistake #5: Failure to contribute as much as possible to the Thrift Savings Plan (TSP) and to start during the earlier years of an employee's federal service.

This is especially important for FERS-covered employees whose retirement income will depend to a large degree on TSP-source income. All employees should attempt to contribute the maximum regular contribution ($16,500 during 2010) and if they will be age 50 or older as of Dec. 31, 2010, they should attempt to contribute an additional maximum $5,500 in "catch-up" contributions. Many FERS-covered employees—especially those who have less than five years of service—are contributing less than five percent of their gross pay, thereby missing out on their agency's maximum four percent matching contributions. New employees should be aware that effective June 22, 2009, all new employees immediately obtain the automatic agency one percent of gross salary contribution and four percent agency maximum matching. But there will be a maximum four percent match from the agency only if a FERS-covered employee contributes a minimum of five percent of his or her gross salary each pay date throughout the year.

The next issue of the *Federal Physician* will include five other financial mistakes.

Survey of GS-14/15 Attitudes About SES Positions

The Senior Executives Association (SEA) recently released the results of a survey of GS-14/15 employees' attitudes about seeking Senior Executive Service positions. The survey, "Taking the Helm: Attracting the Next Generation of Federal Leaders," was completed by about 12,000 GS-14/15's and 17 of 24 agency Chief Human Capital Officers (CHCO) also replied.

Overall, so-called SES attractors of increased ability to contribute to agency mission, opportunity for creativity and innovation, increased responsibility, and honor of serving are seen by GS-14/15s as not outweighing detractors of negative impact on work/life balance, possibility of geographic reassignment, and complexity of the application process. Further, pay was viewed as a middle rather than as a top attractor. In contrast, the CHCOs do not see work/life balance as an important issue for applicants for SES positions in that they continue to see a good supply of well-qualified applicants. However, CHCOs do concur that the complexity of the application process is a detractor.

GS-14/15s indicated that work/life balance is an important issue for them. They do not understand the path to SES positions and they lack clear and accessible information about SES positions. They see candidate development programs as oversubscribed and not resulting in SES appointments. They do not see serving in the SES as a "great honor." They see SES/SL pay as overlapping their own pay and not a great attraction to move up.

To strengthen the SES systems in the federal government and to help resolve concerns expressed in the survey of prospective federal leaders and managers, SEA made the following recommendations.

- **Recommendation 1:** OPM and agencies should emphasize the positive aspects of serving in SES and Senior Professional positions as expressed by survey respondents in order to attract and recruit highly qualified candidates to senior career positions. In addition, making improvements in the operation of the executive corps itself would make the corps more appealing to potential applicants, as well as serve to retain current executives.
- **Recommendation 2:** Agencies should establish and communicate clear and consistent performance expectations for SES and SL/ST employees that encompass meeting the agency's mission while also recognizing the importance of maintaining a healthy work-life balance.

New Bargaining Rights for Title 38 Physicians Will Wait Until Next Congress

Legislation was introduced in the House (H.R. 5543) and in the Senate (S. 3486) in the 111th Congress to permit title 38 Department of Veterans Affairs health care professionals, including physicians and dentists, to collectively bargain when management withholds overtime or weekend premium pay, or wage survey data or does not properly implement performance pay systems enacted by Congress. It does not include bargaining rights over setting basic federal pay.

When DoD physicians and dentists are converted to a modified title 38 pay system in 2011, the majority of federal physicians will be paid under title 38. The Federal Physicians Association has not taken a position on this legislation but is requesting members' input to determine if it is something that should be supported by FPA.

Welcome to New Members

Name	Dept/Agency	Duty Station	Specialty
Beatrice Aguado, M.D.	Department of Defense	Chicago IL	Clinical Pathology
Lee E. Artman, M.D.	Department of the Army	Lakewood WA	Gynecology
Parneeta Bhatia, M.D.	Veterans Affairs	Creve Coeur MO	Anesthesiology
Robin E. Boineau, M.D.	National Institutes of Health	Washington DC	Cardiology
Faye Bresler, M.D.	Department of Defense	Rockville MD	Occupational Medicine
Dalton Carpenter, M.D.	Veterans Affairs	Portland OR	Orthopedics
David Cass, M.D.	Department of the Army	Columbus GA	Family Practice
Kathleen Dallen, M.D.	Department of the Army	Wauwatosa WI	General Practice
Nicole DeYampert, M.D.	Department of the Army	Alexandria VA	Dermatology
Robert J. Di Blasi, M.D.	Department of the Army	Los Altos CA	OB/GYN
Monica Gorbandt, M.D.	Department of the Army	Madison AL	Internal Medicine
Robert Kruger, M.D.	Department of the Air Force	San Antonio TX	Geriatic Internal Medicine
Mary Langdon, M.D.	Veterans Affairs	Anchorage AK	Psychiatry
Charles Larson, M.D.	Department of the Army	Guntersville AL	Family Medicine
Thomas W. Lawson, M.D.	Department of the Army	Columbus OH	Anesthesiology
Tessa Lebinger, M.D.	Food and Drug Administration	Baltimore MD	Pediatric Endocrinology
Stefano Luccioli, M.D.	Food and Drug Administration	Falls Church VA	Allergy/Immunology
James Martin, M.D.	Veterans Affairs	Burr Ridge IL	Emergency Medicine
Meenakshi A. Nandedkar, M.D.	Armed Forces Institute of Pathology	Mitchellville MD	Pathology
Joseph N. Rawlings, M.D.	Department of State	DPO AA	Psychiatry
Phaelon Silva, M.D.	Department of the Army	Watertown NY	Obstetrics & Gynecology
John Williams, M.D.	Veterans Affairs	Wayne PA	Psychiatry
Isam Zaza, M.D.	Department of the Army	Oklahoma City OK	Pathology

Federal Physicians Association Board of Directors

FPA Agency Contacts

In order to keep members of the Federal Physicians Association informed of actions or issues affecting federal physicians, and to make sure federal physicians are made aware of FPA's activities, FPA will be developing contacts in all agencies employing federal physicians. The goal is to have an FPA contact in each NIH institute, at each Indian Health Service hospital, at each DoD installation and so forth.

To start developing these contacts, FPA needs an agency contact at the Food and Drug Administration and at the Department of Veterans Affairs. FPA members interested in serving as agency contacts should contact the office at 1-877-333-7497, or staff@fedphy.org.

Federal Physicians Association Membership Application

Name: _____ Office Phone: _____
last *first*

Address: _____ Email: _____
street

Address: _____
city *state* *zip*

Agency: _____ Medical Specialty: _____

Grade: _____ Yrs Service: _____ Type Pay System: _____ Total Pay: _____
**PCA, T38*

☐ Annual: $100/year $185/2 years ☐ Check enclosed payable to FPA

☐ Amex ☐ Mastercard ☐ Visa ***Account Number:*** _____-_____-_____-_____ ***Exp Date:*** _____ / _____

Mail to: FPA, 12427 Hedges Run Dr, Suite 104, Lake Ridge, VA 22192
May we print your name as a new member in the newsletter? ☐ yes ☐ no

50% of dues is attributable to nondeductible lobbying activity and is therefore not deductible under Internal Revenue Code Section 162 as an ordinary and necessary business expense.

4th Qtr 2010

Deficit Commission Report Includes Recommendations Affecting Federal Pay and Retirement

The final report of the deficit commission includes the following recommendations that would impact federal employees and retirees:

- A three-year pay freeze that potentially would deny regular within-grade increases
- A 10 percent employment cut through 2020. Agencies would be allowed to hire only two workers for every three who leave
- Imposing spending caps on agencies that also would put downward pressure on job levels
- Switching the retirement calculation to a high-five salary base, requiring higher contributions by employees toward retirement
- Denying COLAs for retirees until age 62, switching FEHB to a voucher system in which the government's contribution would be set according to a dollar figure rather than as a percentage of a plan's premiums

The final plans also include numerous changes to Social Security, including gradually raising the retirement age, changing the benefits formula to make it less generous to beneficiaries who earned higher salaries during their working years, raising the maximum amount on which employees pay Social Security taxes, and switching to a less generous COLA formula.

The final plan also includes a recommendation to create a Federal Workforce Entitlement Task Force to review and reform federal employees retirement programs and to re-evaluate civil service and military health and retirement programs and recommend savings of $70 billion over 10 years. According to the report military and civilian pensions are both out of line with pension benefits available to the average worker in the private sector, and, in some cases, out of line with each other across different categories of federal employment. The Commission recommends a federal workforce entitlement review to analyze civil service and military retirement programs in order to 1) Make program rules more consistent across similar programs, and 2) Bring both systems more in line with standard practices from the private sector.

Federal Physician

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