NEWS FOR MEMBERS OF THE FEDERAL PHYSICIANS ASSOCIATION

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FEDERAL PHYSICIAN

FPA Asks OPM For Detailed Report on the Pay of All Federal Physicians

Earlier this year, the Federal Physicians Association (FPA) wrote to the Office of Personnel Management to request that the annual report on the Physicians Comparability Allowance (PCA) be scrapped and replaced with a report that includes the pay of all civilian physicians in the federal government, by medical specialty and geographic area. FPA wants to provide more detailed pay information to FPA **members** to make sure, over time that physicians in the same specialty and geographic area are paid the same.

Several developments prompted this request:

First, as is evident from the FY 2010 annual PCA report (page 3) only seven percent of all federal physicians are included in the report, the federal government does not publish pay data for over 90 percent of federal physicians. As more and more physicians are converted to pay systems that are based partly on market pay, physicians should have more detailed pay information on their colleagues pay, by medical specialty.

Second, the Department of Health and Human Services has converted many of its physicians to title 38 (the Department of Veterans Affairs physician pay) and by January 1, 2012, all Department of Defense physicians will be paid under a modified title 38 system. By January 1, 2012, the majority of federal physicians will be paid under title 38, but there is no published data available on how title 38 is being used across the federal government.

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Federal Employee Pay and Benefits Cuts Postponed Until Later

As of August 1, the agreement reached between congressional leadership and the President to reduce the deficit and raise the debt limit does not include any provisions affecting the pay and benefits of federal employees. However, the House and Senate proposals do call for major reductions in agency budgets.

Significant cuts to Department of Health and Human Services and Department of Defense funding over the coming years are certain to result from the debt ceiling agreement. The Federal Physicians Association (FPA) will be asking all physicians to assist in developing paper(s) on the potential impact of budget or staff reductions to federal health and medical programs.

The deficit reduction agreement would require "sequestration" (automatic budget cuts) of discretionary budget accounts over the next 10 years that would likely result in cuts affecting federal pay and benefits. Federal employee pay and benefits cuts will be the responsibility of the Senate Homeland Security and Governmental Affairs Committee and the House Oversight and Government Reform Committee. These two committees are responsible for almost all legislation that affects federal employees.

Based on discussions in late July, whatever legislation passes will require Congress to identify specific cuts to the federal budget of two trillion dollars or more. The House Oversight and Government Affairs Committee's members have introduced several bills that would result in reducing federal pay and benefits.

The proposals being considered that could affect federal employees are summarized below.

Retirement

Under discussion in the House is a plan that would require new federal employees to contribute about six percent of their pay into the Federal

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CUTS POSTPONED *from page 1*

Employees Retirement System (FERS), a significant increase from the current rate of 0.8 percent. After the pay freeze expires, current employees, under both FERS and the Civil Service Retirement System, would see their contributions rise gradually, an additional 0.5 percent of salary each year for three years. This would bring FERS contributions to 2.3 percent of salary, and CSRS employees—who now contribute seven percent to their pensions—would pay 8.5 percent.

This is a significant improvement from the original plan discussed, which was to increase the FERS contribution to 5.8% of pay.

FPA is part of a coalition of federal employee organizations that has written to the President and the House and Senate leadership to urge them to reject proposals to increase contributions to retirement, which would have the effect of a net pay cut. The letters stated that changing the pension calculation without any corresponding increase in benefits represents a selective payroll tax increase on the income of federal workers, and would be a violation of the President's campaign pledge not to raise any taxes on those earning less than $250,000.

Other changes to retirement include basing the retirement annuity on an employee's highest five year salary, instead of the current high three year salary, which would reduce pensions and using a "chained Consumer Price Index" to calculate cost-of-living (COLAs) adjustments to federal retirement, which would reduce COLAs by 0.25 percent.

In addition to the retirement changes, other "hits" to federal employees include proposals to: freeze federal pay for five years, stop all within grade increases, impose a two week furlough on all federal employees (exempting law enforcement personnel), freeze federal hiring, except for national security and law enforcement, until the deficit is eliminated, end the FERS pension program so there would be no federal contribution, increase the employee contribution to the Federal Employees Health Benefits Program (FEHBP), eliminate automatic step increases, eliminate carryover of unused sick leave and impose a 30-day cap on accumulated annual leave.

What Happens if Your Office's Budget or Staffing is Reduced?

As this issue of the *Federal Physician* went to press, the President and Congress had reached agreement on how to raise the nation's debt limit; however, specific agency programs that will be cut have not been identified. The House is working on funding bills for specific agencies and programs that will impose reductions, some significant, on federal agency health and medical programs.

Budget cuts to the Department of Veterans Affairs are opposed by a powerful lobby, the nation's veterans groups. (The effectiveness of that lobby may be part of reason the average pay of VA physicians is $25,000 more than the average pay of physicians at the Department of Health and Human Services.)

Because the Federal Physicians Association (FPA)represents physicians working to: find causes and cures for heart disease, diabetes and other diseases, protect the safety of food and drugs, provide medical care to Defense and State department personnel and their dependents and Native Americans, and prevent disease, injuries and disabilities, FPA can be a powerful lobby for physicians who work in every other federal agency. Certainly, FPA's influence is greater than the influence of all physicians in a single agency. And, federal agencies are limited in their ability to lobby Congress; FPA has no such limitations.

FPA plans to prepare a report to Congress on the impact of reductions in the budgets of federal health and medical programs and will be asking all federal physicians to prepare short impact statements on how reductions in their offices or programs budget will affect the American people.

Effective impact statements must be more than "accomplishing the objectives of my program will take longer," or "less work will be done." Effective impact statements demonstrate how the work being done makes a difference in the lives of people and answers the questions "So what" and "Who cares." FPA will email federal physicians in August to ask them to develop an impact statement for their area of responsibility.

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Annual Report on Physician Pay Includes Only Seven Percent of Federal Physicians

According to the annual Office of Personnel Management report, during FY 2010, **of the nearly 19,482 full-time civilian physicians employed by the Federal Government, 1,833, or about nine percent, were eligible for PCA** payments, and 1,419, or nearly 7 percent of all federal physicians, actually received PCA payments in FY 2010. 15 agencies provided approximately $27 million in PCA payments to 1,419 Federal physicians. While the number of eligible physicians who received the PCA increased substantially in FY 2010, the number of physicians eligible to receive the PCA declined by 1363, evidence of the declining use of the PCA. Over the past five years, OPM's reports have disclosed the following use of the PCA:

Year	Physicians Eligible to Receive PCA	Physicians Receiving PCA	Percentage Eligible Receiving PCA	Total PCA Payments
FY 2010	1,833	1,419	77 percent	$ 27 million
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 documenting 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 FPA.

Additional FPA lobbying resulted in the PCA 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 the 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.

PCA-eligible physicians are 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 are covered by the Department of Veterans Affairs physicians pay system (authorized under title 38, U.S. Code).

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 information on organizational components that employ more than 100 physicians receiving PCA. The table below summarizes information on the largest users of the PCA incentive.

The largest users of PCA in FY 2010 were three sub-agency components of the Departments of Defense, Justice, and Health and Human Services, as follows: Department of the Army (497), Bureau of Prisons (BOP) (201), and National Institutes of Health (NIH) (176). These three sub-components accounted for nearly 62 percent of all PCA recipients.

Agency Use of PCA in FY 2010

	No. Physicians Eligible for PCA	No. Physicians Receiving PCA	Average PCA	Average Compensation*
DoD	849	646	$ 15,463	$ 147,332
Dept of Health & Human Services	596	418	$ 21,153	$ 138,536
Bureau of Prisons	220	201	$ 21,548	$ 151,437
Dept of State	88	88	$ 27,177	$ 156,022
NASA	34	28	$ 23,665	$ 156,496

*Not including PCA

Other agencies using the PCA include the Department of Homeland Security, Environmental Protection Agency, Department of Labor and the Social Security Administration.

Medical Officers in Federal Agencies

Employment as values	United States	U.S. Territories	Foreign Countries	Unspecified	Location—All	Average Salary (all locations)
VA-DEPARTMENT OF VETERANS AFFAIRS	20,995	497	0	8	21,500	$197,729
HE-DEPARTMENT OF HEALTH AND HUMAN SERVICES	6,376	14	50	1	6,441	$172,954
D+-DEPARTMENT OF DEFENSE	1,861	4	97	0	1,962	$162,900
DJ-DEPARTMENT OF JUSTICE	227	2	0	0	229	$160,980
TD-DEPARTMENT OF TRANSPORTATION	50	0	0	0	50	$157,824
NN-NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	36	0	0	0	36	$155,699
ST-DEPARTMENT OF STATE	28	0	0	0	28	$155,502
EP-ENVIRONMENTAL PROTECTION AGENCY	22	0	0	0	28	$155,500
HS-DEPARTMENT OF HOMELAND SECURITY	11	0	0	0	11	$153,765
DL-DEPARTMENT OF LABOR	9	0	0	0	9	$153,007
NU-NUCLEAR REGULATORY COMMISSION	6	0	0	0	6	$150,729
SZ-SOCIAL SECURITY ADMINISTRATION	6	0	0	0	6	$150,626
PU-PEACE CORPS	3	0	2	0	5	$150,210
AM-U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY	4	0	0	0	4	$148,510
RH-ARMED FORCES RETIREMENT HOME	4	0	0	0	4	$144,767
AG-DEPARTMENT OF AGRICULTURE	2	0	0	0	2	$140,681
DN-DEPARTMENT OF ENERGY	1	0	0	0	1	$139,995
LP-GOVERNMENT PRINTING OFFICE	1	0	0	0	1	$137,070
SM-SMITHSONIAN INSTITUTION	1	0	0	0	1	$129,758
TB-NATIONAL TRANSPORTATION SAFETY BOARD	1	0	0	0	1	$117,699
Agency—ALL	29,644	517	149	9	30,319	$181,836

SOURCE: FedScope—December 2010

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 one through five were published in the Nov/Dec 2010 issue of the *Federal Physician*.)

Mistake #6: Failure to consider the TSP as a "long-term" investment plan and properly investing as such in the TSP funds.

The TSP is a retirement savings plan that allows participants to contribute some of their pre-taxed salary for the purpose of growing the monies in these accounts on a tax-deferred basis. Any earnings—this includes interest, dividends and capital gains—are not taxed until withdrawn. As such, TSP participants must think long-term with respect to which TSP funds they want to invest their contributions. Long-term is defined as the period throughout which an employee contributes to the TSP until the time the TSP participant or the beneficiary no longer needs his or her TSP account. A TSP participant should not define "long-term" as the time the participant contributes to the TSP and the day of retirement. A TSP account must continue to grow after an employee's retirement date. As past investment performance has shown, long-term growth will most likely be accomplished when most of one's TSP account is invested in the stock (C, S, and I) funds or in the Life Cycle (L) funds that are invested mostly in the stock funds (the L2030, L2040 and L2050 funds). and not in the bond funds (F and G funds) or in the L income fund. TSP participants are also cautioned not to "time" the stock market and constantly move TSP funds around in order to achieve long-term goals and to "preserve" one's TSP account in stock market downturns. But as any investor is warned, TSP investors should heed that past investment returns are no guarantee of future performance.

Mistake #7: Failure to plan for "incapacity" while employed and when retired.

While federal employees accrue sick leave hours each pay period that can be used in the event an employee becomes ill or is injured and is unable to come to work, few employees purchase long-term disability income insurance that will replace—in most cases tax-free—as much as 60 percent of an employee's gross salary in the event the employee suffers a long-term disability. The federal government's sick leave program should be considered as a short-term disability income insurance program. Most Executive Branch agencies do not offer long term disability income insurance to their employees. The federal government offers long-term care (LTC) insurance to its employees and retirees. Most episodes of LTC occur on average when an individual is in his or her 70's or 80's. Individuals are encouraged to buy LTC insurance when they are young and healthy enough to qualify as well as be able to pay reasonable LTC insurance premiums. Many insurance professionals recommend buying disability income insurance when employees starts their profession careers—usually when a professional is in his or her 20's or early 30's—and buying LTC insurance towards the end of their working careers when they are in their late 50's or early 60's.

Mistake #8:Failure to have a proper and up-to-date estate plan.

As part of their overall estate plan, employees to name beneficiaries for their bank and brokerage accounts, life insurance policies, TSP accounts and IRAs, and have prepared important estate-related documents. A proper estate plan, established by consulting and working with a qualified estate attorney, includes a Will or Living Trust, a durable power of attorney, an advanced health care directive (health care power of attorney) and Living Will.

Mistake #9:Failure to plan properly for retirement—in terms of income, housing and lifestyle changes—for themselves as well as for family members, especially spouses.

Retirement should be considered as another "life event" that can have significant effects on the income, housing needs and lifestyle of the retiree and immediate family members. Not properly planning for these changes could be devastating.

Mistake #10: Failure to attend a mid-career and retirement seminar.

Many federal agencies offer to their employees two to three day mid-career and retirement planning seminars. These seminars, conducted by federal employee benefits experts, teach attendees what employees should expect in income and lifestyle changes once they retire from federal service. Among the topics usually discussed are retirement eligibility requirements, how the CSRS and FERS annuities are calculated, the best days of the month and the time of the year to retire, survivor benefits, what happens in the event an employee dies in service, how to invest in the TSP, what to expect to receive in Social Security benefits, how federal pensions are taxed by the federal government and the state governments, estate planning for soon-to-be retirees, and lifestyle changes during retirement. Many employees attend these seminars very late in their careers. They subsequently discover that they have made errors or omitted certain tasks that should have been dealt with earlier in their careers.

Senate Committee Approves Legislation to Allow VA Physicians to Bargain on Comp-time, Overtime and Weekend Pay

The Senate Veterans Affairs Committee has approved legislation, S. 572, to expand the collective bargaining rights of health care professionals at the Department of Veterans Affairs. Companion legislation has been introduced in the House, H.R. 807. The legislation would repeal the prohibition on collective bargaining for VA health professionals paid under title 38 of the U.S. code authorities with respect to matters regarding compensation, excluding questions related to basic rates of pay.

Veterans Health Administration (VHA) employees are hired under different statutory authorities, depending on their occupation. Certain personnel, including physicians, are hired under title 38. Other VHA employees, such as nurses are covered by the rules in title 5. Title 5 governs most federal employees and provides more robust bargaining rights than title 38. Title 38 employees may negotiate, file grievances and arbitrate disputes over working conditions with three exceptions: matters concerning professional conduct or competence, peer review or compensation.

The Department of Veterans Affairs "Strongly opposes S. 572," because it would make all matters related to the compensation of title 38 employees subject to collective bargaining. The VA, in testimony before the Senate Veterans Committee on June 11, 2011, said the term "rates of basic pay" do not include market pay, performance pay and any other recruitment and retention incentives. Therefore, according to VA, the legislation would permit collective bargaining over market pay and performance pay. In many cases market pay exceeds basic pay, which is set by law.

The Board of Directors of the Federal Physicians Association is considering what position, if any, FPA should take on the legislation. The Board discussion is part of a larger discussion about whether all the rules and procedures that apply to title 38 physicians employed by the VA should also apply to physicians employed in other agencies who are paid under modified title 38 systems.

Welcome to New Members

Gregory A. Abbott, M.D.	Department of the Army	Family Practice	Clearwater KS
Stanley H. Bennett, M.D.	Department of State	Family Practice	Mountain Lake MN
Terence Chorba, M.D.	Health Resources and Services Admin.	Internal Medicine	Atlanta GA
Kathy A. Gallardo, M.D.	Department of State	Family Practice	Arlington VA
Christine L. Hughes, M.D.	Department of State	Family Practice	Dulles VA
Kelvin Krank, M.D.	Department of the Army	Hospitalist	Olympia WA
Michele Ledoux-Pascucci, M.D.	Department of the Army	IM/ENDO	Alexandria VA
Russell Levy, M.D.	Department of the Army	General Medicine	Metairie LA
Charlene S. McWilliams, M.D.	Department of the Army	Internal Medicine	Fort Wainright AK
Peter J. Molberg, M.D.	Department of State	Family Practice	Washington DC
Sundari Raju, M.D.	Department of the Army	Family Practice	Richland GA
Narendra M. Raval, M.D.	Department of the Army	Pathology	Santa Monica CA
Dr. Paminder Sodhi, MD	Department of the Army	Nuclear Medicine	Lorton VA
Subramaniam Srinivasan, M.D.	Department of State	IM/ID	Plainview NY
Susan J. Walker, M.D.	Food and Drug Administration	Dermatology	Washington DC

Twenty Percent Discount on Membership

Join the Federal Physicians Association by August 31, 2011 at the two-year membership rate of $185 and receive and $25 Exxon/Mobil gas card. Your annual membership will cost just $80 a year instead of the regular rate of $100 a year, a 20% discount. Join at the website www.fedphy.org/join.php or use the application on page 11.

REPORT *from page 1*

Third, under title 38, market pay is a major component of a physicians pay. Market pay is determined according to geographic area, specialty, assignment, personal qualifications and experience and indexed to the salaries of similarly qualified non-department physicians. The market pay component of a federal physician's pay is adjusted at least once every two years by the VA Secretary who prescribes nationwide minimum and maximum amounts of annual pay (base pay plus market pay.) The VA Secretary may prescribe different ranges for different specialties or assignments. In determining pay ranges, at least two or more national surveys of pay for physicians and dentists are consulted. National surveys consulted include data that describes overall physician income by specialty or assignment and broad geographic areas.

FPA believes that every effort should be made to ensure that all physicians in the federal government are paid equitably and that the market pay for physicians with the same qualifications, same specialty and same geographic area are paid the same.

An annual report on the pay of all federal physicians would be a first step toward eliminating inequities in federal physician pay.

OPM responded to the FPA letter in April, and provided some additional sources of physician pay information and noted that since the annual PCA report was required by law, a legislative change would be required to modify the report. OPM provided a table on the average physician pay by agency which is published on page 4.

FPA will be asking Congress to introduce legislation to require a periodic report on the pay of all physicians. **Federal Physicians who are interested in writing to their Representative and Senators to develop support for the FPA legislation should contact FPA at staff@fedphy.org.**

Physicians in the 112th Congress

There are 20 physician members of the 112th Congress including three senators, 16 representatives and a delegate. This is an increase from the 16 physician members in the 111th Congress. (New Members are in bold type.) Family medicine and obstetrics/ gynecology are the most represented medical specialties with four members each. Emergency medicine, ophthalmology and orthopedic surgery are each represented by two members of Congress while general surgery, cardio-thoracic surgery, thoracic surgery, gastroenterology, anesthesiology and psychiatry are represented with a single member.

The *Federal Physician* is sent to all 20 physician members of the House and Senate.

House of Representatives	
Rep. Dan Benishek, MD (R-MI-01) 1st term	General Surgery
Rep. Charles Boustany, MD (R-LA-07) 4th term	Cardio-Thoracic Surgery
Rep. Paul Broun, MD (R-GA-10) 3rd term	Family Medicine
Rep. Larry Bucshon, MD (R-IN-08) 1st term	Thoracic Surgery
Rep. Michael Burgess, MD (R-TX-26) 5th term	OB/GYN
Rep. Bill Cassidy, MD (R-LA-06) 2nd term	Gastroenterology
Del. Donna Christensen, MD (D-VI-AL) 8th term	Emergency Medicine
Rep. Scott DesJarlais, MD (R-TN-04) 4th term	Family Medicine
Rep. John Fleming, MD (R-LA-04) 2nd term	Family Medicine
Rep. Phil Gingrey, MD (R-GA-11) 5th term	OB/GYN
Rep. Andy Harris, MD (R-MD-01) 1st term	Anesthesiology
Rep. Nan Hayworth, MD (R-NY-19)	Ophthalmology
Rep. Joe Heck, DO (R-NV-03) 1st term	Emergency Medicine
Rep. Jim McDermott, MD (D-WA-07) 12th term	Psychiatry
Rep. Ron Paul, MD (R-TX-14) 12th term	OB/GYN
Rep. Tom Price, MD (R-GA-06) 4th term	Orthopedic Surgery
Rep. David "Phil" Roe, MD (R-TN-01) 2nd term	OB/GYN
Senate	
Sen. John Barrasso, MD (R-WY) 2nd term	Orthopedic Surgery
Sen. Tom Coburn, MD (R-OK) 2nd term	Family Medicine
Sen. Rand Paul, MD (R-KY) 1st term	Ophthalmology

Members Only Website Page

A "Members Only" page is being added to the Federal Physicians Association website which will include agency policy, procedures and forms for determining federal physician pay, physician pay survey data, and physician vacancies.

In Brief

Poor Performers Awarded Step Increases

In 2009, 737 federal employees, out of 1.2 million GS employees were denied step increases because of poor performance. This is a 0.06 denial rate, far lower than the Office of Personnel Management (OPM) estimate of the number of poor performers, 3.7 percent. A survey by the Merit Systems Protection Board determined that 14.3 percent of federal employees were judged to be poor performers by their co-workers.

The House has passed legislation to deny annual pay raises to federal employees whose job performance is rated unacceptable. A federal task force, made up of senior agency personnel officials, labor leaders and other employee representatives will make recommendations in September on how to manage poor performers and reward top performers.

Administration Limits Performance Awards for 2011 and 2012

In a June 10 memorandum to federal agencies, the Office of Personnel Management directed agencies to limit performance awards for SES and scientific and professional employees to no more than five percent of total salaries. OPM also limited bonuses to other federal employees to just one percent of an agency's total salaries. There is no specific limit on the amount of an individual's award and there is no cap of the percentage of employees receiving awards or the number of individual awards granted.

Legislation Calls for Seriously Tax Delinquent Federal Employees/ Contractors to be Fired

In late June, the House Committee on Oversight and Government Reform passed legislation, H.R. 828, the Federal Employee Tax Accountability Act of 2011, that would prevent seriously tax-delinquent federal employees and contractors from working for the federal government or continuing to work for the federal government. A companion bill, S. 828 has been introduced in the Senate.

The bill defines "seriously delinquent tax debt" as an outstanding tax debt for which a notice of lien has been filed in public records. The legislation exempts a tax debt: (1) that is being paid in a timely manner under an approved installment payment agreement or an offer-in-compromise, (2) for which a collection due process hearing has been requested or pending, (3) for which a levy has been issued or agreed to by an applicant for employment, or (4) that is determined to be an economic hardship to the taxpayer. The bill grants federal employees or applicants 60 days to demonstrate that their tax debts are exempt from classification as a seriously delinquent tax debt under this Act

The bill requires each federal agency to: (1) ensure that applicants for employment certify that they do not have a seriously delinquent tax debt, (2) review public records to determine if a notice of lien has been filed against an employee or applicant, and (3) restrict access to and use of information obtained under this Act.

The bill authorizes an agency, if a tax lien against a federal employee or applicant is discovered in any public record, to: (1) request such employee or applicant to execute and submit a form authorizing the Secretary of the Treasury to disclose to an agency head information describing whether the employee or applicant has a seriously delinquent tax debt, and (2) contact the Secretary to request tax information about a seriously delinquent tax debt of an employee or applicant.

PHS Officers are Not Members of the Uniformed Services

Earlier this year, as part of the Administration's planning for a possible government shutdown, an announcement was made that PHS Commissioned Corps officers would be treated as civil servants and would be furloughed. The decision overturns decades of precedent and according to the Commissioned Officers Association of the USPS (COA) is contrary to existing law and regulation. COA wrote to the Secretary of the Department of Health and Human Services to ask for an explanation for the decision and the legal basis for the decision.

The PHS Commissioned Corps was singled out as the only one of the seven uniformed services not considered as a uniformed service in the event of a government shutdown. COA said that "this action is … a direct assault of the Corps…"

No Locality Pay Changes for 2012

Because of the federal pay freeze, there will be no increases in locality pay in 2012. In addition, there will be no changes in or additions to any of the designated geographic areas.

OPM Launches One-Stop Gateway to Federal Government Recruitment Resources

The Office of Personnel Management has launched USAJOBSRecruit.gov, a one-stop gateway to recruitment resources throughout the federal government. The USAJOBSRecruit site includes information, resources and multi-media learning tools to ensure guidance is readily available to HR professionals, recruiters and hiring officials and a Federal Service Ambassadors Program for federal employees interested in promoting careers with the federal government.

GSA Plans to Keep Mileage Reimbursement Rate at 51 Cents a Mile

In June, the IRS changed the reimbursement rates from 51 cents per mile to 55.5 cents for taxpayers who use their personal vehicles on the job. GSA has decided not to increase the mileage reimbursement rate for federal employees.

Agencies Have Reduced the Time to Hire a New Employee

In May 2010, President Obama directed agencies to implement changes that would allow them to hire faster. Among the changes made to meet the President's directive was the elimination of essays on knowledge, skills and abilities, (KSAs), and replace them with resumes and cover letters. Also changed has been the length of job announcements, reduced from 35 pages in some cases to three to five pages. The goal is for agencies to hire an employee in 80 days from start to finish. In a May report, the Office of Personnel Management reported that the average time to hire had been reduced from 160 to 105 days.

Do Federal Physicians Need Liability Insurance?

Under the Federal Tort Claims Act (FTCA), federal physicians, psychologists and other medical personnel are essentially given malpractice protection for actions within their scope of employment—this means that federal medical personnel have financial protection from most common malpractice lawsuits. The FTCA does not, however, provide immunity for personal capacity lawsuits or constitutional torts—this means that federal medical personnel can be vulnerable to some types civil actions commonly referred to as a *Biven's* actions for alleged violations of an individual's constitutional rights.

Civil protections are just one of the reasons Professional Liability Insurance is necessary for federal medical professionals. For some—specifically those that are subject to evaluation and scrutiny by the public, OIG, OSC, GAO, Congress and other agency officials—PLI is necessary primarily for the administrative benefits.

Investigations into alleged ethics violations, professional misconduct and negligent performance of duties are made against medical professionals working for the NIH, DoD, VA, HHS, BOP, Department of Labor, FDA and other federal agencies.

The FEDS policy provides medical professionals with up to $2,000,000 in indemnification limits for civil law suits, up to $200,000 in an administrative and/or ethical investigation, a disciplinary action or a judicial sanction proceeding, and up to $100,000 for criminal legal defense. For additional information on how FEDS protects federal medical professionals, read Civil Exposures, Administrative Exposures, and Criminal Exposures on the FEDS website: www.fedsprotection.com.

The FEDS policy would also defend federal physicians in a state medical board investigation and proceedings arising out of the performance of federal job duties.

Federal medical professionals in management or supervisory roles have additional exposures that make PLI necessary. For additional information, visit the Managers and Executives Overview section on the website. Coverage costs start at just $270 per year.For coverage effective today, purchase PLI now.

FEDS continually works with the **Federal Physicians Association (FPA)** and other federal employee communities, professional organizations and associations to ensure that FEDS provides the protection employees need to do their jobs.

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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 is 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 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.

3rd Qtr 2011

Conversion of DoD NSPS Physicians to New Pay System will Create New Pay Discrepancies

According to Department of Defense (DoD) officials, physicians and dentists working for DoD will be converted from the National Security Personnel System (NSPS) to the Physicians and Dentists Pay Plan (PDPP) in August 2011. (The December 2010 issue of the *Federal Physician* included an overview of PDPP.) As of late July, DoD officials were still working on the details of how a physician's pay will be calculated during the conversion to PDPP.

The conversion of NSPS physicians to PDPP will create discrepancies in the pay of DoD physicians since physicians paid under NSPS will be paid more than those that were converted from non-NSPS positions, the Legacy system. How large the discrepancy will be and how it will be resolved is unknown.

The Federal Physicians Association is preparing a letter to DoD to ask for their plans to resolve these discrepancies and to ask a number of other questions about the administration of PDPP.

Among the questions FPA is asking are:

- When will the pay of physicians who converted from non-NSPS positions have their pay adjusted to the pay levels of physicians who converted from NSPS?
- The pay freeze provided for a "zero sum" conversion for all DoD physicians, which means that the pay of physicians will not decrease. However, there will be no increase in pay to reflect increases in market pay. When will the pay of all DoD physicians be adjusted to reflect increases in market pay.
- A chart on page 4 of this newsletter from the Office of Personnel Management (OPM) indicates that physicians employed by the Department of Veterans Affairs salary is, on average, $35,000 more than the average pay of DoD physicians. Is the goal of PDPP to, over time, reduce or eliminate this large discrepancy in pay?
- Since market pay will be the major component of pay, will DoD release the detailed pay survey information used to set market pay rates, or will DoD rely on the Department of Veterans Affairs changes to market pay to make adjustments?
- Once PDPP is fully implemented, what percentage of a physicians total pay will be based on performance pay? What DoD officials will be responsible for the development of performance standards for an individual physician?
- Will the names of all officials involved in the DoD PDPP system be made available to the public?

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