

# FEDERAL PHYSICIAN



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## Congress Working to Implement Trump's Cuts to Federal Retirement Benefits

The President's budget would impose dramatic cuts in federal retirement benefits for all current and future retirees, the largest cuts ever proposed by a President in the modern era.

**The budget proposal would entirely eliminate annual cost-of-living increases for FERS retirees and lower COLA's for Civil Service CSRS enrollees by 0.5 percent. The Trump plan also would gradually increase employee retirement contributions by 1 percent every year over the next 5–6 years until the federal government contribution rate is matched. In addition, the plan also would base future retirement benefits on a high-five salary average, rather than the current high-three average. The budget proposal does not cut Social Security or Medicare benefits, fulfilling Trump's campaign promise not to hurt those retirement programs.**

Office of Management and Budget Director Mick Mulvaney has described the federal employee

retirement benefit cuts as one of four top measures to save money in President Trump's fiscal 2018 budget proposal. According to budget documents, the federal personnel policy changes would generate \$4.1 billion in government savings in FY 2018 fiscal 2018 and \$149 billion by fiscal 2027.

The FY 2018 House Republican budget has some of the same provisions proposed by President Trump to cut back federal retirement benefits. The House proposal would eliminate annuity supplements for FERS retirees who stop working before they are eligible for Social Security benefits.

But, the House budget proposal requires the House Oversight and Government Reform Committee, which oversees all things affecting federal employees, to reduce the deficit by \$32 billion between FY 2018 and FY 2027, but it does not specify how the cuts are to be made. In contrast, the President's budget proposals would generate \$149 billion in government savings between FY

See **RETIREMENT** page 2

## President Signs Bill that Could Start a Government-Wide Effort to Weaken Civil Service Protections

When the President signed the VA Accountability and Whistleblower Protection Act of 2017 on June 27, 2017, P.L. 115-41, he introduced significant reforms affecting VA employees and adverse actions. Adverse actions are removals (terminations of employment after completion of a probationary or other initial service period) reductions in grade or pay, suspension for more than 14 days, or furloughs for 30 days or less for cause that promotes the efficiency of the service; an involuntary resignation is considered to be a removal.

In addition to the VA reforms, the Department of Defense recently revised reduction-in-force policies and implemented two-year probationary periods for new hires. According to federal HR experts, these changes, in the federal government's two largest agencies, are likely to be implemented over time in other departments, beginning civil service reform incrementally, rather than through

a single comprehensive civil service reform bill.

The legislation gives the VA new firing and disciplinary procedures for senior executives and rank-and-file employees. For senior executives it reduces the time for grievance procedures to 21 days and eliminates Merit Systems Protection Board (MSPB) review, although senior executives still can appeal to court.

The bill authorizes the VA Secretary to "remove, demote, or suspend a covered individual who is an employee of the Department if the Secretary determines the performance or misconduct of the covered individual warrants such removal, demotion, or suspension." It reduces the period for notice, response and final decision to no more than 15 business days, with 7 of those days allocated to an employee's response to the proposed action. Currently, the entire appeals process can take months. Rank and file employees are able to

See **PROTECTIONS** page 2

## RETIREMENT *from page 1*

2018 and FY 2027. The Federal Physicians Association has written to the House Oversight Committee to recommend exempting Medical Officers from the retirement cuts because of the continuing recruitment and retention problems in the federal government. See FPA's letter on page 4.

On June 17, 2017 a group of nine House Republicans sent a letter to Speaker Paul Ryan, (R-WI), and Majority Leader Kevin McCarthy, (R-CA), announcing their "concerns" with proposed cuts to federal retirement programs outlined in President Trump's fiscal 2018 budget. That letter followed a letter signed by more than 100 Democrats opposing the benefit cuts. In addition, 18 Senators, mostly Democrats, have written to Senate leadership opposing the retirement cuts.

However, because Congressional approval of the budget requires only a simple majority to pass, there is considerable concern that federal retirement benefit cuts could pass in spite of the opposition.

Federal Physicians should be contacting their House Representative to ask that he/she oppose the proposed retirement cuts. It is essential that Federal Physicians who reside in districts of Members of the House Oversight committee (see page 10) contact their Representative to ask he/she to oppose the retirement cuts. Contact the FPA office, [staff@fedphy.org](mailto:staff@fedphy.org), for more information on contacting Members of Congress. Find your House Representative at: <https://www.house.gov/representatives/find/>

**Never contact Members of Congress while on duty, from a federal facility or using government equipment.**

On September 8, the President signed legislation to keep the government open and avoid a shutdown on September 30. The legislation keeps the government funded at FY 2017 levels through December 8, 2017.

## PROTECTIONS *from page 1*

appeal actions to the MSPB, but must file an appeal within 10 business days rather than the previous 30 day time frame. The MSPB judge must issue a decision on the appeal within 180 days of the date of appeal.

The bill also provides for a reduction in retirement benefits for removed or retired employees convicted of a crime and prohibits bonuses and relocation expenses for employees who have been found guilty of wrongdoing or abuse.

It also establishes an Office of Accountability and Whistleblower Protection, reporting directly to the Secretary. The office will receive whistleblower complaints against senior executives, political appointees and supervisors.

The bill gives the Secretary direct hire authority for medical center directors and Veterans Integrated Service Networks (VISN) directors, the VA's 21 geographic regions. Congress is also considering legislation, the Better Workforce for Veterans Act, which would provide direct hire authority for positions with a "severe shortage of candidates."

After three years of experience with the new disciplinary processes, the VA Secretary is required to submit a report to Congress on the effectiveness of the new procedures.

## Accountability Bill Provisions Affecting Medical Officers

Included in the VA Accountability bill is Section 208, which applies to Medical Officers, Dentists and other VA health care providers paid under Title 38. Title 38 U.S. Code, § 7461 governs adverse actions based on the conduct or performance involving direct patient care or clinical competence.

Section 208 of P.L. 115-41, eliminates the "at least 30 days notice written notice" for adverse actions and replaces it with "Advance written notice." The advance notice is to state the basis for each charge, the adverse actions that could be taken if the charges are sustained, the specific law, regulation, policy, procedure, practice or other specific instruction that has been violated for each charge. The advance notice may be waived if there is reasonable cause to believe that the employee committed a crime.

Section 208 establishes an aggregate period of 15 business days for the resolution of charges against an employee and 15 workdays, reduced from 21 days, for a deciding official to render a written decision. It reduces the 30 day period for response by an employee to seven days.

As soon as Title 38 § 7461-7463 is revised to incorporate the new provisions, it will be published on the FPA website, [www.fedphy.org](http://www.fedphy.org).



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**FEDERAL PHYSICIANS ASSOCIATION**

*Views expressed are those of the Federal  
Physicians Association and are not  
Department or Agency positions.*

# CBO Report Finds Federal Employees Better Compensated than Private Sector Counterparts, Except at Professional and Advanced Levels

A Congressional Budget Office (CBO) study released earlier this year concluded that less educated federal employees, on average, earn slightly more than private sector workers with similar educational backgrounds, but private sector employees with advanced degrees are paid more than federal employees with similar education. When benefits are included, federal employees do much better than their private sector counterparts, except for those with advanced degrees. According to the report, federal employees are paid 34 percent more than those with a high school education or less. However, federal employees are paid 24 percent less than those with a professional degree or doctorate.

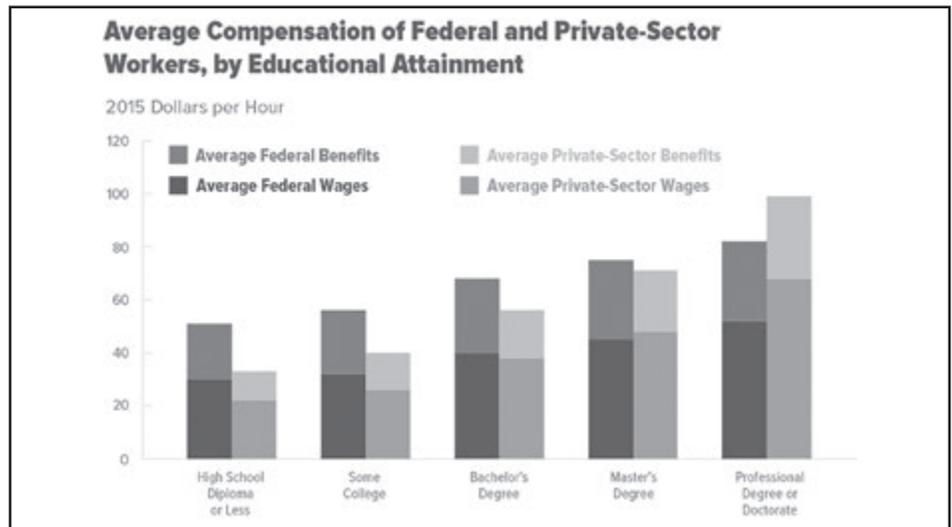
The report included a chart comparing salaries and benefits for educational levels for federal and private sector employees.

The report concluded that the federal government would have reduced its spending on wages by 3 percent if it had decreased the pay of its less educated employees and increased the pay of its more educated employees to match the wages of their private-sector counterparts.

## Benefits

During the 2011–2015 period, the federal and private sectors differed much more with regard to current and future benefits—including health insurance, retirement benefits, and paid leave—than they did with regard to wages. The extent of that difference varied according to workers’ educational attainment.

- Average benefits were 52 percent higher for federal employees whose highest level of education was a bachelor’s degree than for similar private-sector employees.
- Average benefits were 93 percent higher for federal employees with no more than a high school education than for their private-sector counterparts.
- Among employees with a doctorate or professional degree, by contrast,



average benefits were about the same in the two sectors.

On average for workers at all levels of education, the cost of benefits was 47 percent higher for federal civilian employees than for private-sector employees with certain similar observable characteristics.

The most important factor contributing to differences between the two sectors in the costs of benefits is the defined benefit pension plan that is available to most federal employees. Such plans have become less common in the private sector. CBO’s estimates of the costs of benefits are much more uncertain than its estimates of wages, primarily because the cost of defined benefit pensions that will be paid in the future is more difficult to quantify and because less-detailed data are available about benefits than about wages.

## Other Studies of Federal Compensation

The CBO report follows other reports, some which have concluded that federal employees are greatly overpaid while others claim federal employees are underpaid. In July 2016, the Heritage Foundation found that federal employees receive 22 percent higher wages than similar workers in the private sector.

Including the value of employee benefits, the total compensation premium increased to between 30 percent and 40 percent. A study by the American Enterprise Institute found a 14 percent pay premium and a 61 percent total compensation premium for federal employees.

In November 2016, the Federal Salary Council found that federal government employees on average receive salaries that are 34% below those of comparable private sector jobs. This pay gap is based on Labor Department surveys comparing salary data on 250 federal occupations at various levels of responsibility with corresponding rates in local labor markets.

On May 18, the House Committee on Oversight and Government Reform held a hearing on federal employee compensation. Witnesses testified that:

- Most federal employees receive compensation through the General Schedule, which inhibits the government’s ability to reward performance over tenure.
- The General Schedule also prevents the federal government from attracting top talent in high-demand areas, such as cybersecurity. And
- Small adjustments in federal employee’s defined benefit compensation plans could save taxpayers \$207 billion over ten years.



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September 5, 2017

The Honorable Trey Gowdy  
Chairman  
House Oversight and Government  
Reform Committee  
2157 Rayburn House Office Building  
Washington DC 20515

The Honorable Elijah E. Cummings  
Ranking Member  
House Oversight and Government  
Reform Committee  
2157 Rayburn House Office Building  
Washington DC 20515

Dear Chairman Gowdy and Ranking Member Cummings:

The Federal Physicians Association, which represents the 34,000 Medical Officers employed by the federal government, asks that you exempt all Medical Officers from the proposed retirement benefit cuts because of the negative impact the cuts will have on recruiting and retaining Medical Officers.

The federal government's Medical Officers include physicians working to find cures for heart disease, cancer and Alzheimer's disease, to protect the safety of food and drugs, to prevent the spread of infectious disease and to provide medical care to the employees and dependents of the Departments of Defense and State, Native Americans and Veterans.

In August, Congress passed legislation, the VA Choice and Quality Employment Act of 2017, which included a number of provisions to increase hiring of positions with a "severe shortage of candidates." In July 2018, the General Accountability Office released a report which found that in five critical shortage positions, including Medical Officers, the Veterans Health Administration losses increased between FY 2011 and FY 2015. According to exit surveys, most of the losses were from voluntary resignations and retirements.

Also in 2016, the Inspector General for the Department of Justice released a report that documented the shortfalls in medical staffing at the Bureau of Prisons (BOP). BOP has over 300 Medical Officer positions. The IG report found that only 24 of 97 BOP institutions had a medical staffing rate of 90 percent or higher. The Departments of Defense, Health and Human Services, and Veterans Affairs have thousands of current vacancy announcements according to the website [federalgovernmentjobs.us](http://federalgovernmentjobs.us).

The August 2017 Congressional Budget Office report, "Options for Changing the Retirement Systems for Federal Civilian Workers," stated that "...changes in FERS that affect workers' current pay or retirement income can affect the government's ability to recruit and retain.

Beginning with the 94<sup>th</sup> Congress, 1975-1976, and continuing through the 115<sup>th</sup> Congress, legislation has been passed to counter severe recruitment and retention problems of Medical Officers. The Title 38 pay provisions that govern VA Medical Officers now apply to the majority of the federal governments Medical Officers.

Cutting the retirement benefits of Medical Officers will reverse the many incentives Congress has legislated to improve recruitment and retention. On behalf of the more than 30,000 Medical Officers, we urge you to exempt them from any proposals which decrease their compensation through cuts in benefits.

If you or your staff require further information, please contact Dennis Boyd, Executive Director of the Federal Physicians Association, [dennis@fedphy.org](mailto:dennis@fedphy.org).

Thank you for considering our views.

Sincerely,

Brian J. Ribeiro, M.D. F.A.C.P.  
President

cc: Members of the House Oversight and Government Reform Committee

## Few Federal Physicians to Receive PCA in FY 2018

Based on agency budget submissions for FY 2018, very few Medical Officers will receive the Physicians Comparability Allowance (PCA) in FY 2018. The following is a summary of planned PCA payments by agency for FY 2018 in agencies paying 10 or more Medical Officers the PCA.

<u>Agency</u>	<u>No. Physicians Receiving PCA</u>	<u>Average Annual Pay w/no PCA</u>	<u>Amount of PCA</u>
MEDCOM, Army	10	\$162,570	\$25,901
Bureau of Prisons, DOJ	327	\$146,487	\$26,379
Centers for Medicare and Medicaid Services, HHS	56	\$148,478	\$26,178
Health Resources and Services Administration, HHS	38	\$154,637	\$22,329
National Institutes of Health, HHS	147	\$155,290	\$ 8,624
Department of State	94	\$156,000	\$26,000

## MSPB Report Looks at Barriers to Addressing Employee Misconduct

In 2016, the U.S. Merit Systems Protection Board (MSPB) conducted a survey of 10,000 supervisors, managers, and senior executives and asked them, "If a subordinate employee engaged in serious misconduct are you confident that you would be able to remove that employee?" Approximately half said yes, but half said no.

The greatest perceived barriers to removal were the agency's culture toward taking such actions and the level of support given by managers and leaders. The next greatest barrier was the quality of service provided by the human resources (HR) office.

The perceived level of proof required by law ranked fourth. Officials who actually propose and decide to implement removal actions overwhelmingly use a much higher level of proof than the law requires. The legal standard to remove an employee is preponderance of the evidence, which means it must be more likely than not that the charges against the employee are true. Overall, approximately 95 percent of officials used a higher standard of proof than is required by law or regulation. Thus, it is quite possible that a lack of understanding about the true requirements of

the law is a greater barrier than the law itself.

Respondents to the 2016 survey of supervisors did recognize gaps in their knowledge. Approximately 60 percent stated that, to some or a great extent, one barrier was the degree to which they understand the process to remove an employee. However, as shown by the standard of proof used by officials who actually implemented removal actions, officials may not realize just how much they do not know or they may be choosing to make the process more difficult than Congress intended.

## President Signs Bill that Provides Direct Hire Authority for "Severe Shortage of Candidates" Positions

On August 12, 2017, the President signed the VA Choice and Quality Employment Act of 2017 which authorized \$2.1 billion in additional funds for the Veterans Choice Program (VCP), including \$1.8 billion for the Veterans Health Administration. The bill provides direct hiring authority for positions with a severe shortage of candidates.

The bill establishes an Executive

Management Fellowship Program to allow no less than 18 and no more than 30 employees of the Veterans Benefits Administration and the Veterans Health Administration with training and experience in the private sector. It creates an annual performance plan for political appointees to evaluate them on recruiting and retaining well-qualified employees and motivating employees. It allows the Secretary to

noncompetitively appoint former career or career conditional employees within the competitive server at VA and allows for excepted service appointments of student and recent college graduates.

The bill requires the VA to create a standardized exit survey for departing employees and a database of every vacancy that is critical of difficult to fill and provides for leases at 28 new outpatient and mental health clinics.

# There's No Off-season

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**Final Approved Pay Ranges for VA Physicians and Dentists  
Effective January 8, 2017**

<b>Pay Table 1</b>	<b>Specialty/Assignment</b>	<b>Pay Table 2</b>	<b>Specialty/Assignment</b>
Tier 1: \$101,967 - 225,000 Tier 2: \$110,000 - 234,000 Tier 3: \$120,000 - 262,000	Endocrinology Endodontics General Practice – Dentistry Geriatrics Infectious Diseases Internal Medicine / Primary Care / Family Practice Palliative Care Periodontics Preventive Medicine Prosthodontics Rheumatology All other specialties or assignments not requiring a specific specialty training or certification	Tier 1: \$101,967 - 264,000 Tier 2: \$115,000 - 292,000 Tier 3: \$130,000 - 320,000	Allergy and Immunology Hospitalist Nephrology Neurology Pathology PM&R / SCI Psychiatry
<b>Pay Table 3</b>	<b>Specialty/Assignment</b>	<b>Pay Table 4</b>	<b>Specialty/Assignment</b>
Tier 1: \$101,967 - 348,000 Tier 2: \$120,000 - 365,000 Tier 3: \$135,000 - 385,000	Anesthesiology Pain Management Cardiology (Non-Invasive) Emergency Medicine Gynecology Hematology – Oncology Nuclear Medicine Ophthalmology Oral Surgery Pulmonary	Tier 1: \$101,967 - 400,000 Tier 2: \$125,000 - 400,000	Anesthesiology Cardiology (Invasive/Non-Interventional) Cardio-Thoracic Surgery Critical Care Dermatology Dermatology MOHS Gastroenterology General Surgery Interventional Cardiology Interventional Radiology Neurosurgery Orthopedic Surgery Otolaryngology Plastic Surgery Radiology (Diagnostic) Radiation Oncology Urology Vascular Surgery
<b>Pay Table 5</b>	<b>Specialty/Assignment</b>	<b>Pay Table 6</b>	<b>Specialty/Assignment</b>
Tier 1: \$150,000 - 309,000 Tier 2: \$145,000 - 289,000 Tier 3: \$140,000 - 270,000	VHA Chiefs of Staff – Tier assignments are based on published facility complexity level Tier 1 – Complexity Levels 1a & 1b Tier 2 – Complexity Levels 1c & 2 Tier 3 – Complexity Level 3, facilities with no designated level, Deputy Chiefs of Staff at Complexity Levels 1a and 1b	Tier 1: \$145,000 - 265,000 Tier 2: \$145,000 - 245,000 Tier 3: \$130,000 - 235,000	Tier 1 – Principal Deputy; other Deputy Under Secretaries for Health; Chief Officers; Network Directors; Medical Center Directors; Network Chief Medical Officers Tier 2 – Executive Directors; other Assistant Under Secretaries for Health; VACO Chief Consultants; National Directors; National Program Managers Tier 3 – All VACO physicians or dentists not otherwise defined

Minimum annual rates of pay for Pay Tables 1 through 4 adjusted to reflect increase made to the Physician and Dentist Base and Longevity Pay Schedule effective Jan 8, 2017.

## Open Season on Federal Physicians

What would you do with \$20,000, \$50,000, or \$100,000? The answer to this question is probably pretty similar amongst most readers...pay bills, go on vacation, buy a big boat. Would you be surprised to learn that federal physicians, with exemplary records, could pay this much or more if someone makes an allegation leading to an Administrative Investigative Board (AIB), Office of Accountability Review (OAR), or Office of Inspector General or some other professional misconduct investigation? What started out as an investigation at one VA location into allegations of manipulation of wait times and scheduling, has turned into employees across the country feeling the weight of the federal government while under the investigative microscope. Open season on federal physicians is not limited just to employees of the VA, physicians working for the NIH, DOD, HHS, BOP, Department of Labor, and FDA have all faced investigations into allegations of ethics violations, professional misconduct, and negligent performance of duties by so-called “whistleblowers”.

While most subjects under investigation are calm at first, believing that with outstanding past performance and ratings, if a mistake or error is found, they would be able to explain it. It is a little shocking to learn how deep and how far back your decisions and actions could come under scrutiny. For some, the real surprise comes when the extent of the investigation is revealed, or when you find out you could be held accountable for a practice that had been in place for years, or that you are now being investigated for an event or action that didn't have any direct correlation to the initial allegation. It doesn't matter if your action was intentional or unintentional, or even standard operating procedure - if the practice you are executing is deemed unacceptable, particularly if you are also a supervisor, you will be held accountable – even if it is a trivial or justifiable violation of agency policy or practice.

How sure are you that your actions or inactions could withstand rigorous

scrutiny? To understand your vulnerabilities in this regard you must appreciate how easily an investigation can commence. Allegations of wrongdoing could stem from a patient, disgruntled subordinate, whistleblower, jealous colleague, special interest group, or a politically motivated official. Motivations for the allegations could be agenda driven or simply based on uninformed assumptions. While many employees are ultimately vindicated, the process isn't cheap—if you are directly accused of wrongdoing, particularly in an OIG or internal management investigation, you will not be assigned an agency attorney. It can easily cost \$10,000 to \$25,000 to defend yourself in an AIB, OAR, OIG, or management investigation. Plan on paying **at least** \$30,000 to \$200,000 to take your case through the MSPB if you become the subject of a disciplinary action after the investigation concludes. Most federal physicians simply don't have this kind of money to pay an attorney. However, federal physicians can find \$145 a year, or \$12 a month, to pay the professional liability insurance bill to have an attorney to defend job related acts, errors and omissions. Attorneys are expensive, federal employee professional liability insurance isn't. This is true whether or not you are reimbursed by the agency for half the cost of this insurance.

For many years, the Federal Physicians Association, has recommended FEDS Professional Liability Insurance. The time is now past where the biggest obstacle to purchasing this protection is a sense of disbelief that you will ever face an allegation; or need an attorney to defend a work-related act, error or omission; or that an allegation known to be frivolous or untrue, will go away without the need to ever hire an attorney. **The reality is...in today's federal community, federal employees are targeted for various reasons, or used to make examples or as political pawns, and if it happens to be you, it is a nuisance if it's a small case, or completely overwhelming if it's a large one.** And for every untrue or frivolous allegation, there are

countless situations where employees did make mistakes, and wrongdoing, however minor or unintentional.

Those physicians and FEDS members who became embroiled in the complexities of the federal legal investigative process, even though innocent, were thankful they had the foresight to purchase a professional liability policy. Other important facts you should know about FEDS Protection:

1. Did you know the FEDS Protection policy would also defend you in a state medical board investigation and proceeding arising out of the performance of your federal job duties? This is automatically included – there is no additional charge for this coverage.
2. Did you know that FEDS does not charge you an additional \$100 or more to cover allegations of harassment, discrimination, retaliation, wrongful termination, and alleged whistleblower reprisal? The FEDS policy **automatically includes coverage** for EEO and Office of Special Counsel (OSC) type claims, at no additional premium, because this is the very reason most supervisors purchase—and use—the policy. In what may become a super-charged environment, an agency attorney may be assigned to assist you in the EEO or OSC investigation, but you should know that this attorney represents the government's interests, not yours as an individual employee, and the agency attorney may advance a position adverse to your own.
3. Did you know one of the reasons FEDS is endorsed by the Federal Physicians Association is due to commitment and know how? The FEDS founder is a former federal attorney who understands how very critical it is to have experienced, tenacious, and objective legal counsel when defending sensitive matters involving federal employees.

You are not immune to allegations of wrongdoing, regardless of your past performance. Agencies reimburse up to

See OPEN SEASON page 10

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# In Brief

## Agencies Told to Plan for Personnel Cuts in FY 2019

On July 7, the Office of Management and Budget issued a FY 2019 planning guidance memo to all federal agencies that stated: "The FY 2019 budget will provide an opportunity to present a comprehensive plan for reforming the federal government and reducing the federal civilian workforce." Congress will have the final word on the President's FY 2019 budget.

## Advancing Legislation Will Make TSP Withdrawals Easier

The Senate Homeland Security and Governmental Affairs Committee on July 26 approved a bill provide federal employees and retirees greater flexibility in withdrawing money from their accounts. It would allow federal employees to make multiple age based withdrawals from their Thrift Savings Plan accounts and still be eligible for partial withdrawals when they leave government. Current rules allow only one wage-based withdrawal upon reaching age 59 1/2. The bill also allow retirees to make changes to the amount and frequency of their withdrawals whenever they wish, rather than once per year. The House Oversight Committee earlier passed similar legislation.

## Some Federal Employees Might be Eligible for Student Loan Forgiveness

Interested in reducing your student loans? The Department of Education's Public Service Loan Forgiveness program allows federal employees to have federal student loan payments reduced and the debt forgiven after making 120 qualifying payments. Those eligible for the program include employees who owe more on a federal loan than they make in a year. To be eligible, federal employees must work at least 30 hours a week. For more information: <https://studentdebtusa.com>.

## The "Merit" Act – Expediting Employee Removals

Rep. Barry Loudermilk, (R-GA), has introduced the Modern Employment Reform, Improvement and Transformation Act of 2017 to provide an alternative removal process for performance or misconduct of federal employees. It gives federal managers the option to expedite the dismissal process of "bad" employees. His press statement about the bill said "While there are scores of hardworking Americans employed by the federal government, there are also those so entrenched in the bureaucracy, they have learned to game the federal employment system to their advantage. Under current employment policies, it takes over 300 days to remove an employee who is underperforming, unqualified, or has committed acts of misconduct."

## Increase in Buyout Payments Proposed

The Trump administration has asked Congress to increase the amount agencies can offer federal employees who retire early from \$25,000 to \$40,000. The Defense Department already offers the \$40,000 payout. The new amount would be indexed for inflation. The increase is being made because of the administration's plans to reduce the size of the federal workforce.

## House Oversight Committee Passes Bonuses for Cost-Cutters Act of 2017

In mid-July, the House passed a bill that authorizes the head of a federal agency to pay a cash award to any agency employee whose identification of unnecessary expenses has resulted in cost savings for the agency. The maximum dollar amount of such award is \$20,000. Executive Level employees are not eligible to receive the bonus.

## Lodging Reimbursement Increases October 1, 2017

Beginning on October 1, the lodging travel per diem rate for federal employees increases from \$91 to \$93. The daily rate for meals and incidentals remains the same, a standard rate of \$51 and a high-end rate of \$74. There are 332 areas that qualify for higher reimbursement. GSA per diem rates are available at the following website: <https://www.gsa.gov/portal/category/100120>

## Bill Would Make New Federal Employees "At Will" Hires

Future federal employees could lose their jobs much more easily under legislation introduced earlier this week by Rep. Todd Rokita (R-IN). The measure is "The Promote Accountability and Government Efficiency Act," H.R. 3257, otherwise known as the "PAGE Act." The measure would:

- Allow federal employees to be removed or suspended "without notice or right to appeal, from service by the head of the agency at which such employee is employed for good cause, bad cause, or no cause at all."

- Allow agency heads to immediately suspend federal employees for misconduct or poor performance "if the head determines that the misconduct or performance of the employee warrants such suspension."
- Place a limitation on appeal rights.
- Prohibit annual pay raises if an employee did not receive at least a score of 4 or 5 out of 5 (or an equivalent rating with respect to a performance appraisal system that does provide for such a scoring system) on his or her latest performance review under the

- performance appraisal system.
- Deny employees their CSRS or FERS annuities if convicted of a felony.
- Allow an agency may transfer an individual occupying a Senior Executive Service position who is not an at-will employee to a position within the General Schedule.

While the legislation is unlikely to be approved by Congress, it could contribute to defining the terms of debate on civil service reform legislation if Congress moves in that direction.

## Members of the House Oversight and Government Reform Committee

### Majority

Trey Gowdy, South Carolina,  
*Chairman*  
Darrell Issa, California  
Jim Jordan, Ohio  
Mark Sanford, South Carolina  
Justin Amash, Michigan  
Paul Gosar, Arizona  
Scott DesJarlais, Tennessee  
Blake Farenthold, Texas  
Virginia Foxx, North Carolina  
Thomas Massie, Kentucky  
Mark Meadows, North Carolina  
Ron DeSantis, Florida  
Dennis A. Ross, Florida  
Mark Walker, North Carolina  
Rod Blum, Iowa  
Jody Hice, Georgia  
Steve Russell, Oklahoma  
Glenn Grothman, Wisconsin  
Will Hurd, Texas  
Gary Palmer, Alabama  
James Comer, Kentucky  
Paul Mitchell, Michigan  
Greg Gianforte, Montana

### Minority

Elijah Cummings, Maryland,  
*Ranking Member*  
Carolyn Maloney, New York  
Eleanor Holmes Norton, DC  
William Lacy Clay, Jr., Missouri  
Stephen Lynch, Massachusetts  
Jim Cooper, Tennessee  
Gerry Connolly, Virginia  
Robin Kelly, Illinois  
Brenda Lawrence, Michigan  
Ted Lieu, California  
Bonnie W. Coleman, New Jersey  
Stacey Plaskett, U.S. Virgin Islands  
Brendan Boyle, Pennsylvania  
Val Demings, Florida  
Raja Krishnamoorthi, Illinois  
Jamie Raskin, Maryland  
Peter Welch, Vermont  
Matt Cartwright, Pennsylvania  
Mark DeSaulnier, California  
John Sarbanes, Maryland  
Jimmy Gomez, California

OPEN SEASON *from page 8*

half the cost of this insurance for many physicians and all managers and supervisors for a reason. Take advantage of this benefit—and don't forget to enter your member discount code when prompted. FPA members can call the office for the discount code. You must have coverage in place prior to an incident or claim or **COVERAGE WILL NOT APPLY!**

If you have questions or would like to enroll—it only takes 5 minutes—call FEDS at 866.955.FEDS or enroll online at [www.fedsprotection.com](http://www.fedsprotection.com).



## Professional Liability Insurance for Federal Physicians

FEDS PLI covers the exposures that make Federal Physicians vulnerable to:

- Administrative Investigations
- State Medical Board Investigations & Proceedings arising out of the performance of your federal duties
- Disciplinary Actions
- Criminal Investigations
- Civil Lawsuits/Bivens Actions for alleged violations of a patient's constitutional rights

FEDS \$1,000,000 Annual Policy  
**\$290**

Some physicians (and all physicians classified as mgrs & supervisors) are eligible for agency reimbursement up to half the cost for a net premium of  
**only \$145**

FEDS also offers a \$2,000,000 policy for \$390.

There is a reason this coverage is available and affordable to all federal employees. Obtaining counsel or representation experienced in federal matters - after a claim is made against you - will cost many multiples of our annual premium!

**Call the FPA or visit our website at [www.fedsprotection.com](http://www.fedsprotection.com) for more information or to enroll today!**  
**You can even enroll by phone at 866-955-FEDS with payroll deduction available.**

## New Benefits for Members of the Federal Physicians Association

- FPA Members, who are facing are eligible for a 10 percent discount on hourly rates and one-half hour of initial telephone consultation from the Jeffrey Law Group, PLLC. Since May 2007, the members of the firm, Peter Jeffrey and Liz Newman have practiced Federal sector employment law together, representing Federal Physicians at the Department of Veterans Affairs and other federal agencies. Both Peter and Liz have represented Federal Physicians before Administrative Investigation Boards (AIBs) in replies to adverse actions and in grievances over physician pay issues. Members must provide their membership ID to the firm to get the discount.
- Members are now eligible for a free hour (a \$225 value) of financial consultation, research and analysis, from Variplan, [www.variplan.com](http://www.variplan.com). Variplan provides comprehensive financial planning, federal benefits analysis, and investment account management. Members must provide their membership ID to Variplan to get the benefit.
- Members of the Federal Physicians Association who are current federal employees are eligible for a \$10.00 discount when purchasing professional liability insurance from Federal Employees Defense Services (FEDS.) See the article on page 8 on the importance having professional liability insurance and their ad on page 10 for more information.
- The Association is also creating a “Members only” page on the website which will provide details on thousands of medical officer vacancy announcements, the DOD policy on how Medical Officers pay is determined, and other agency policies on pay, adverse actions and other policies affecting federal physicians.  
In addition, FPA members have discounts on auto insurance through GEICO.



### 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, PDPP

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

Amex     MasterCard     Visa    Account Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Exp Date: \_\_\_\_\_ / \_\_\_\_\_

Mail to: FPA, 5868 Mapledale Plaza, Suite 104, Woodbridge, VA 22193

May we print your name as a new member in the newsletter?  yes  no

30% 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 QUARTER 2017



# Federal Physician

5868 Mapledale Plaza, Suite 104  
Woodbridge, VA 22193

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## Scam Targets TSP Participants

The Securities and Exchange Commission (SEC) recently brought an enforcement action against Federal Employee Benefit Counselors (FEBC), a “national consulting group dedicated to educating federal employees,” whose “mission” was purportedly “to help” federal employees “optimize” their benefits. The SEC’s complaint alleges that FEBC and certain of its employees fraudulently induced federal employees to roll over funds from their TSP accounts into privately issued variable annuities. The SEC alleges that the defendants created the false impression that they were in some way affiliated with, or approved by, the federal government and deceived investors about the fees associated with, and the relative attractiveness of, the privately issued annuities. The SEC alleges the defendants obtained personal information from the employees and then sent them reports that misleadingly described the recommended investment option. The defendants allegedly failed to disclose that this “option” involved investing with a third party that had no government affiliation.

In general, fraudsters may try to deceive investors by using the word “federal” or “government” in the name of their

company, copying or imitating government emblems or seals, creating fake correspondence that looks like it is from a government agency, or sending email messages that *link to an actual government website*.

The SEC has the following tips if offered investment opportunities and claims any affiliation with the federal government:

- Do not trust any contact information or a website provided by someone contacting you with an investment idea when that person claims to be affiliated with the government, the TSP, or government retirement plans.
- According to the agency that administers the TSP, the TSP will never contact you by email, telephone, or mail asking you to provide sensitive personal information such as your account number, Social Security number, password, or PIN.
- You can confirm that a seller is not affiliated with a government agency by contacting the agency directly or calling the SEC’s toll-free investor assistance line at (800) 732-0330.
- Always be cautious about providing personal information to anyone you do not personally know.