

By direction of the Secretary.

E. Philip Riggins,

Committee Management Officer.

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DEPARTMENT OF VETERANS AFFAIRS

Annual Pay Ranges for Physicians and Dentists of the Veterans Health Administration (VHA)

AGENCY: Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: As required by the "Department of Veterans Affairs Health Care Personnel Enhancement Act of 2004" (Pub. L. 108-445, dated December 3, 2004) the Department of Veterans Affairs (VA) is hereby giving notice of annual pay ranges for Veterans Health Administration (VHA) physicians and dentists as prescribed by the Secretary for Department-wide applicability. These annual pay ranges are intended to enhance the flexibility of the Department to recruit, develop, and retain the most highly qualified providers to serve our Nation's veterans and maintain a standard of excellence in the VA healthcare system.

EFFECTIVE DATES: Annual pay ranges are effective on July 8, 2007.

FOR FURTHER INFORMATION CONTACT:

Donna R. Schroeder, Director, Compensation and Classification Service (055), Office of Human Resources Management, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-9803.

SUPPLEMENTARY INFORMATION: Under 38 U.S.C. 7431(e)(1)(A), not less often than once every two years, the Secretary must prescribe for Department-wide applicability the minimum and maximum amounts of annual pay that may be paid to VHA physicians and dentists. Further, 38 U.S.C. 7431(e)(1)(B) allows the Secretary to prescribe separate minimum and maximum amounts of pay for a specialty or assignment. In construction of the annual pay ranges, 38 U.S.C. 7431(c)(4)(A) requires the consultation of two or more national surveys of pay for physicians and dentists, as applicable, whether prepared by private, public, or quasi-public entities in order to make a general assessment of the range of pays payable to physicians and dentists. Lastly, 38 U.S.C. 7431(e)(1)(C) states amounts prescribed under paragraph 7431(e) shall be published in the **Federal Register**, and shall not take

effect until at least 60 days after date of publication.

Background

The "Department of Veterans Affairs Health Care Personnel Enhancement Act of 2004" (Pub. L. 108-445) was signed by the President on December 3, 2004. The major provisions of the law established a new pay system for Veterans Health Administration (VHA) physicians and dentists consisting of base pay, market pay, and performance pay. While the base pay component is set by statute, market pay is intended to reflect the recruitment and retention needs for the specialty or assignment of a particular physician or dentist at a facility. Further, performance pay is intended to recognize the achievement of specific goals and performance objectives prescribed annually. These three components create a system of pay that is driven by both market indicators and employee performance, while recognizing employee tenure in VHA.

Discussion

VA identified and utilized salary survey data sources which most closely represent VA comparability in the areas of practice setting, employment environment, and hospital/healthcare system. The Association of American Medical Colleges (AAMC), Hospital and Healthcare Compensation Service (HHCS), Sullivan, Cotter, and Associates (S&C), Physician Executive Management Center (PEMC), and the Survey of Dental Practice published by the American Dental Association (ADA) were collectively utilized as benchmarks from which to prescribe annual pay ranges for physicians and dentists across the scope of assignments/specialties within the Department. While aggregating the data, a preponderance of weight was given to those surveys which most directly resembled the environment of the Department.

In constructing annual pay ranges to accommodate the more than thirty specialties that currently exist in the VA system, VA continued the practice of grouping specialties into consolidated pay ranges. This allows VA to use multiple sources that yield a high number of physician salary data which helps to minimize disparities and aberrations that may surface from data involving smaller numbers of physicians and dentists for comparison and from sample change from year to year. Thus, by aggregating multiple survey sources into like groupings, greater confidence exists that the average compensation reported is truly representative. In addition, aggregation

of data provides for a large enough sample size and provides pay ranges with maximum flexibility for pay setting for the more than 15,000 VHA physicians and dentists.

In developing the annual pay ranges, a few distinctive principles were factored into the compensation analysis of the data. The first principle is to ensure that both the minimum and maximum salary is at a level that accommodates special employment situations, from fellowships and medical research career development awards to Nobel Laureates, high-cost areas, and internationally renowned clinicians. The second principle, to attempt to establish a rate range of ± 25 percent of the mean, is imperative to provide ranges large enough to accommodate career progression, geographic differences, sub-specialization, and special factors. This principle is also the standard recommended by World@Work for professional compensation ranges.

All clinical specialties for VHA physicians and dentists were reviewed against relevant private sector data. The specialties are grouped into five clinical pay ranges that reflect comparable complexity in salary, recruitment, and retention considerations. Two additional pay ranges apply to VHA Chiefs of Staff and physicians and dentists in executive level administrative assignments at the facility, network, or headquarters level.

PAY TABLE 1.—CLINICAL SPECIALTY

Tier level	Minimum	Maximum
Tier 1	\$91,530	\$175,000
Tier 2	110,000	200,000
Tier 3	120,000	215,000
Tier 4	130,000	225,000

PAY TABLE 1.—COVERED CLINICAL SPECIALTIES

Allergy and Immunology.
Endocrinology.
Geriatrics.
Infectious Diseases.
Internal Medicine/Primary Care/Family Practice/Admitting physician.
Neurology.
Preventive Medicine.
Psychiatry.
Rheumatology.
General Practice—Dentistry.
Endodontics.
Periodontics.
Prosthodontics.
Assignments that do not require a specific specialty.

PAY TABLE 2.—CLINICAL SPECIALTY

Tier level	Minimum	Maximum
Tier 1	\$91,530	\$200,000
Tier 2	115,000	215,000
Tier 3	130,000	225,000
Tier 4	140,000	235,000

PAY TABLE 2.—COVERED CLINICAL SPECIALTIES

Critical Care (board certified).
Emergency Medicine.
Gynecology.
Hematology—Oncology.
Nephrology.
Pathology.
Physical Medicine & Rehabilitation/Physiatry/
Spinal Cord Injury.
Pulmonary.

PAY TABLE 3.—CLINICAL SPECIALTY

TIER level	Minimum	Maximum
TIER 1	\$91,530	\$245,000
TIER 2	120,000	265,000
TIER 3	135,000	275,000
TIER 4	145,000	285,000

PAY TABLE 3.—COVERED CLINICAL SPECIALTIES

Cardiology (Non-invasive).
Dermatology.
Gastroenterology.
Nuclear Medicine.
Ophthalmology.
Oral Surgery.

PAY TABLE 3.—COVERED CLINICAL SPECIALTIES—Continued

Otolaryngology.

PAY TABLE 4.—CLINICAL SPECIALTY

TIER level	Minimum	Maximum
TIER 1	\$91,530	\$270,000
TIER 2	125,000	285,000
TIER 3	140,000	295,000
TIER 4	150,000	305,000

PAY TABLE 4.—COVERED CLINICAL SPECIALTIES

Anesthesiology.
Cardiology (Invasive).
General Surgery.
Plastic Surgery.
Radiology.
Therapeutic Radiology.
Urology.
Vascular Surgery.

PAY TABLE 5.—CHIEF OF STAFF

TIER level	Minimum	Maximum
TIER 1	\$150,000	\$260,000
TIER 2	145,000	240,000
TIER 3	140,000	220,000

PAY TABLE 6.—EXECUTIVE ASSIGNMENTS

TIER level	Minimum	Maximum
TIER 1	\$110,000	\$230,000

PAY TABLE 6.—EXECUTIVE ASSIGNMENTS—Continued

TIER level	Minimum	Maximum
TIER 2	110,000	250,000

PAY TABLE 6.—COVERED EXECUTIVE ASSIGNMENTS

Chief Officer.
Deputy Under Secretary for Health.
Facility Director.
Network Chief Medical Officer.
Network Director.
VA Central Office Physician.
VA Central Office Dentist.

PAY TABLE 7.—CLINICAL SPECIALTY

TIER level	Minimum	Maximum
TIER 1	\$91,530	\$325,000
TIER 2	140,000	350,000

PAY TABLE 7.—COVERED CLINICAL SPECIALTIES

Cardio-Thoracic Surgery.
Neurosurgery.
Radiology (Interventionalist).

Dated: May 10, 2007.

Gordon H. Mansfield,

Deputy Secretary of the Department of Veterans Affairs.

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