

**Defense Health Program  
Fiscal Year (FY) 2013 Budget Estimates  
Department of Defense Physicians' Comparability Allowance (PCA) Worksheet**

		<b>FY 2011 (Actual)</b>	<b>FY 2012 (Estimate)</b>	<b>FY 2013 (Estimate)</b>
1) Number of Physicians Receiving PCAs		821	178	182
2) Number of Physicians with One-Year PCA Agreements		419	82	93
3) Number of Physicians with Multi-Year PCA Agreements		402	96	89
4) Average Annual PCA Physician Pay (without PCA payment)		\$156,370	\$165,147	\$168,829
5) Average Annual PCA Payment		\$10,556	\$12,434	\$13,411
6) Number of Physicians Receiving PCAs by Category (non-add)	Category I Clinical Position	774	169	173
	Category II Research Position	23	4	5
	Category III Occupational Health	9	0	0
	Category IV-A Disability Evaluation	4	0	0
	Category IV-B Health and Medical Admin.	11	5	4

7) If applicable, list and explain the necessity of any additional physician categories designated by your agency (for categories other than I through IV-B).

N/A

8) Provide the maximum annual PCA amount paid to each category of physician in your agency and explain the reasoning for these amounts by category.

**Navy**  
I: \$26,000 (recruit board certified physicians with experience; 20 employees are teaching/mentoring in the graduate medical education programs) \$14,000 (utilized to meet private sector salaries); \$24,000 (under a multi-year agreement); \$28,000 (need to use PCA to be

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competitive against the local market pay).

III: \$11,000 Occupational Health physicians historically have been difficult to recruit and this amount of PCA has enabled the Navy to maintain current staff for 5 years

IV-B: \$20,000 (a historically difficult position to fill which has been occupied now for 5 years); \$14,000 (paid to one physician and one dentist due to board certification)

**Air Force**

\$30,000 - Approved by Commander as allowed by 5 U.S.C. 5948 and 5 CFR part 595

**Army**

Maximum amount paid in all categories is \$30K. Average PCA is well below the maximum amount allowed. Amount will be reduced in the future due to the new PDPP DoD Title 38 hybrid pay system.

- 9) Explain the recruitment and retention problem(s) for each category of physician in your agency (this should demonstrate that a current need continues to persist).

**Navy**

I: 2 losses, 1 gain, 1 vacancy unfilled for 16 months; Recruitment/retention issues with physicians pay/pay setting; Needed to use PCA as a total compensation tool to close the gap between Navy salary and local market pay.

III, IV: No turnover

IV-B: Lack of candidates who will relocate to 'geographically remote' area

Current salary scale does not compete and match other civilian rates. There are numerous sources for physician and dentist compensation information, including BLS labor statistics and Veterans' Affairs (VA) pay schedules. These are a benchmark, as VA conducts salary surveys on a regular basis. Salary data was also made available by the Health Professions Civilian Compensation Standing Committee, which included survey data from the Medical Group Management Association, American Medical Group Association, Sullivan-Cotter, Watson-Wyatt, and the American Dental Association.

**Air Force**

The current salary scale does not compete with or match other civilian rates. These positions are identified as hard to fill; salary scales are not competitive with private sector and high cost of living areas. There is a critical hiring need due to conversion of Active Duty (AD) slots to civilian and high operations tempo because of AD deployments and care of wounded

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warriors.

**Army**

There are various compensation websites that provide this information and ensure that the Army is remaining competitive with local market points and other federal agencies. The Army's primary source for comparing salaries with the local market point is the BLS labor statistics. VA salary tables by occupational specialty are also used as benchmarks to ensure that the Army remains competitive. Most recently, with the conversion of physicians and dentists to the Department of Defense Physicians and Dentists Pay Plan (PDPP), a Market Analysis tool was developed to provide various national averages by occupation and compare the GS salaries with salaries under the former National Security Personnel System (NSPS). The PDPP has incorporated PCA into market pay and will allow for greater flexibility in establishing competitive compensation packages across all categories. Recruiting and retaining physicians in temporary specialty positions requires the use of PCA.

The Army has historically added a 7 to 10 percent increase to requirements projections to account for growth due to new or expanded mission requirements. Missions that have increased requirements include Overseas Contingency Operations, Warrior Transition Units, the Army Substance Abuse Program, the Integrated Disability Evaluation System, and others. With the implementation of PDPP, the majority of physicians and dentists are no longer eligible for PCA, but there is still an inventory of physicians and dentists that did not convert to PDPP.

10) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

**Navy**

Without PCA and without the recruitment, relocation, and retention incentives (3Rs), the Navy would only be able to hire General Medical Officers (GMOs); it would not have been able to fill any specialty positions. There has been exponential growth in the average salaries of physicians and dentists over the last 30 years, and PCA has allowed the Navy to keep up.

**Air Force**

PCA allows the Air Force to continue to employ physicians who would be difficult to recruit and retain without this authority. Due to PCA, the Air Force is able to retain 11 essential physicians.

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**Army**

In conjunction with the 3Rs, PCA allowed the Army to close the gap between GS and NSPS physicians and dentists, be competitive in recruiting highly specialized occupational specialties (Cardiology, Radiology, Neurosurgery, etc.), and reduce contracting. PCA has also helped recruit and retain physicians in temporary specialty positions. With the implementation of PDPP, usage of PCA after FY 2011 will be greatly reduced.

11) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

**Air Force**

The number of physicians shown in Table 1 above converted from GS to GP pay plan effective 5 June 2011, with the exception of one who is scheduled for conversion in April 2012.

**Army**

Most of our Physicians and Dentists will transition or have transitioned out of GS to PDPP. The Army anticipates minimal use of PCA in the future.