

OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON WASHINGTON, DC 20301-4000

The Honorable Thad Cochran Chairman Committee on Appropriations United States Senate Washington, DC 20510

FEB 27 2017

Dear Mr. Chairman:

This annual report is in response to the Senate Report 112–173, pages 132–133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, which requests that the Secretary of Defense, in consultation with the Director of the Office of Personnel Management, report on the use of healthcare provider appointing authorities delegated under title 38, U.S.C., chapter 74, to appoint and pay for critically needed healthcare occupations.

In our interim report, submitted October 20, 2016, we outlined the successes achieved utilizing the delegated authorities to enhance the Department of Defense's human resource programs for recruitment of healthcare provider positions during FY 2016. However, this report provides a more strategic assessment of anticipated needs. To this end, we asked the Services to provide input on future issues that may affect recruitment and retention; which occupations they anticipate having the greatest difficulty in filling positions; and any additional authorities that may be needed to overcome anticipated problems.

To summarize, the Services report that they currently have difficulty hiring and retaining healthcare workers in such disciplines as behavioral health, family medicine, pharmacy, and physical and occupational therapy. Despite the widespread use of Special Salary Rates (SSRs) and other title 38 compensation authorities, current and projected difficulties relate to competition from the private sector and supply shortages. The Services are trying to remedy these recruitment and retention problems with increased utilization of SSRs, targeted recruitment efforts, and paid advertising.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the Chairmen of the other congressional defense committees, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform.

Sincerely,

A. M. Kurta

Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure: As stated

CC.

The Honorable Patrick Leahy Vice Chairman

OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON WASHINGTON, DC 20301-4000

The Honorable William M. "Mac" Thornberry Chairman Committee on Armed Service U.S. House of Representatives Washington, DC 20515

FEB 27 2017

Dear Mr. Chairman:

This annual report is in response to the Senate Report 112–173, pages 132–133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, which requests that the Secretary of Defense, in consultation with the Director of the Office of Personnel Management, report on the use of healthcare provider appointing authorities delegated under title 38, U.S.C., chapter 74, to appoint and pay for critically needed healthcare occupations.

In our interim report, submitted October 20, 2016, we outlined the successes achieved utilizing the delegated authorities to enhance the Department of Defense's human resource programs for recruitment of healthcare provider positions during FY 2016. However, this report provides a more strategic assessment of anticipated needs. To this end, we asked the Services to provide input on future issues that may affect recruitment and retention; which occupations they anticipate having the greatest difficulty in filling positions; and any additional authorities that may be needed to overcome anticipated problems.

To summarize, the Services report that they currently have difficulty hiring and retaining healthcare workers in such disciplines as behavioral health, family medicine, pharmacy, and physical and occupational therapy. Despite the widespread use of Special Salary Rates (SSRs) and other title 38 compensation authorities, current and projected difficulties relate to competition from the private sector and supply shortages. The Services are trying to remedy these recruitment and retention problems with increased utilization of SSRs, targeted recruitment efforts, and paid advertising.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the Chairmen of the other congressional defense committees, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform.

Sincerely,

A. M. Kurta

MKuta

Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure: As stated

cc:

The Honorable Adam Smith Ranking Member

OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON WASHINGTON, DC 20301-4000

The Honorable John McCain Chairman Committee on Armed Services United States Senate Washington, DC 20510

FEB 27 2017

Dear Mr. Chairman:

This annual report is in response to the Senate Report 112–173, pages 132–133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, which requests that the Secretary of Defense, in consultation with the Director of the Office of Personnel Management, report on the use of healthcare provider appointing authorities delegated under title 38, U.S.C., chapter 74, to appoint and pay for critically needed healthcare occupations.

In our interim report, submitted October 20, 2016, we outlined the successes achieved utilizing the delegated authorities to enhance the Department of Defense's human resource programs for recruitment of healthcare provider positions during FY 2016. However, this report provides a more strategic assessment of anticipated needs. To this end, we asked the Services to provide input on future issues that may affect recruitment and retention; which occupations they anticipate having the greatest difficulty in filling positions; and any additional authorities that may be needed to overcome anticipated problems.

To summarize, the Services report that they currently have difficulty hiring and retaining healthcare workers in such disciplines as behavioral health, family medicine, pharmacy, and physical and occupational therapy. Despite the widespread use of Special Salary Rates (SSRs) and other title 38 compensation authorities, current and projected difficulties relate to competition from the private sector and supply shortages. The Services are trying to remedy these recruitment and retention problems with increased utilization of SSRs, targeted recruitment efforts, and paid advertising.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the Chairmen of the other congressional defense committees, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform.

Sincerely,

A. M. Kurta

WKuto

Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure: As stated

cc: The Honorable Jack Reed Ranking Member

OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON WASHINGTON, DC 20301-4000

The Honorable Rodney P. Frelinghuysen Chairman Committee on Appropriations U.S. House of Representatives Washington, DC 20515

FEB 27 2017

Dear Mr. Chairman:

This annual report is in response to the Senate Report 112–173, pages 132–133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, which requests that the Secretary of Defense, in consultation with the Director of the Office of Personnel Management, report on the use of healthcare provider appointing authorities delegated under title 38, U.S.C., chapter 74, to appoint and pay for critically needed healthcare occupations.

In our interim report, submitted October 20, 2016, we outlined the successes achieved utilizing the delegated authorities to enhance the Department of Defense's human resource programs for recruitment of healthcare provider positions during FY 2016. However, this report provides a more strategic assessment of anticipated needs. To this end, we asked the Services to provide input on future issues that may affect recruitment and retention; which occupations they anticipate having the greatest difficulty in filling positions; and any additional authorities that may be needed to overcome anticipated problems.

To summarize, the Services report that they currently have difficulty hiring and retaining healthcare workers in such disciplines as behavioral health, family medicine, pharmacy, and physical and occupational therapy. Despite the widespread use of Special Salary Rates (SSRs) and other title 38 compensation authorities, current and projected difficulties relate to competition from the private sector and supply shortages. The Services are trying to remedy these recruitment and retention problems with increased utilization of SSRs, targeted recruitment efforts, and paid advertising.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the Chairmen of the other congressional defense committees, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform.

Sincerely,

A. M. Kurta

Mkuts

Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure: As stated

CC

The Honorable Nita M. Lowey Ranking Member

OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON WASHINGTON, DC 20301-4000

The Honorable Ron Johnson Chairman Committee on Homeland Security and Governmental Affairs United States Senate Washington, DC 20510

FEB 2 7 2017

Dear Mr. Chairman:

This annual report is in response to the Senate Report 112–173, pages 132–133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, which requests that the Secretary of Defense, in consultation with the Director of the Office of Personnel Management, report on the use of healthcare provider appointing authorities delegated under title 38, U.S.C., chapter 74, to appoint and pay for critically needed healthcare occupations.

In our interim report, submitted October 20, 2016, we outlined the successes achieved utilizing the delegated authorities to enhance the Department of Defenses human resource programs for recruitment of healthcare provider positions during FY 2016. However, this report provides a more strategic assessment of anticipated needs. To this end, we asked the Services to provide input on future issues that may affect recruitment and retention; which occupations they anticipate having the greatest difficulty in filling positions; and any additional authorities that may be needed to overcome anticipated problems.

To summarize, the Services report that they currently have difficulty hiring and retaining healthcare workers in such disciplines as behavioral health, family medicine, pharmacy, and physical and occupational therapy. Despite the widespread use of Special Salary Rates (SSRs) and other title 38 compensation authorities, current and projected difficulties relate to competition from the private sector and supply shortages. The Services are trying to remedy these recruitment and retention problems with increased utilization of SSRs, targeted recruitment efforts, and paid advertising.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the Chairmen of the congressional defense committees and the House Committee on Oversight and Government Reform.

Sincerely,

A. M. Kurta

Mkuta

Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure: As stated

cc:

The Honorable Claire McCaskill Ranking Member

OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON WASHINGTON, DC 20301-4000

The Honorable Jason Chaffetz Chairman Committee on Oversight and Government Reform U.S. House of Representatives Washington, DC 20515

FEB 27 2017

Dear Mr. Chairman:

This annual report is in response to the Senate Report 112–173, pages 132–133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, which requests that the Secretary of Defense, in consultation with the Director of the Office of Personnel Management, report on the use of healthcare provider appointing authorities delegated under title 38, U.S.C., chapter 74, to appoint and pay for critically needed healthcare occupations.

In our interim report, submitted October 20, 2016, we outlined the successes achieved utilizing the delegated authorities to enhance the Department of Defense's human resource programs for recruitment of healthcare provider positions during FY 2016. However, this report provides a more strategic assessment of anticipated needs. To this end, we asked the Services to provide input on future issues that may affect recruitment and retention; which occupations they anticipate having the greatest difficulty in filling positions; and any additional authorities that may be needed to overcome anticipated problems.

To summarize, the Services report that they currently have difficulty hiring and retaining healthcare workers in such disciplines as behavioral health, family medicine, pharmacy, and physical and occupational therapy. Despite the widespread use of Special Salary Rates (SSRs) and other title 38 compensation authorities, current and projected difficulties relate to competition from the private sector and supply shortages. The Services are trying to remedy these recruitment and retention problems with increased utilization of SSRs, targeted recruitment efforts, and paid advertising.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the Chairmen of the congressional defense committees and the Senate Committee on Homeland Security and Governmental Affairs.

Sincerely,

A. M. Kurta

Jukuta

Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure: As stated

cc:

The Honorable Elijah E. Cummings Ranking Member

HEALTH CARE PROVIDER APPOINTMENT AND COMPENSATION AUTHORITIES FISCAL YEAR 2016



SENATE REPORT 112-173 NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2016

The estimated cost of this report or study for the Department of Defense is approximately \$3900 in Fiscal 2016. This includes \$0 in expenses and \$3900 in DoD labor.

Generated on November 4, 2016

2016 REPORT TO CONGRESS DEPARTMENT OF DEFENSE HEALTH CARE PROVIDER APPOINTMENT AND COMPENSATION AUTHORITIES

The Department of Defense (DoD) is required to report annually to Congress on its use of delegated authorities and flexibilities to recruit and retain trained, experienced healthcare professionals in critically needed healthcare occupations. This report summarizes the extent to which such authorities are being used successfully throughout the Department. In particular, the authority granted by section 1599c of title 10, United States Code (U.S.C.), to exercise the authorities in chapter 74 of title 38, U.S.C., continues to be used extensively throughout the Department and has contributed to the successful recruitment and retention efforts for critical healthcare positions. In this report, we update information submitted in the Department's annual report sent in September 2015, describe progress made during FY16 and reference findings and recommendations from the Interim Report dated October 20, 2016. Copies of both reports are included for reference. As is required by NDAA 2012, Senate Report 112–173, attached is the side-by-side comparison of authorities available to and exercised by the Department of Veterans Affairs and within the DoD for each health care shortage category or critical need occupation.

Hiring Authorities:

The Department regularly uses a single hiring authority that is specific to the Military Health System (MHS) and a full range of hiring authorities created by the Office of Personnel Management (OPM) for use throughout the government. A summary of the MHS and OPM hiring authorities are outlined in the table below.

Authority/Flexibility	Scope & Coverage	MHS Specific	Gov't Wide
Expedited Hiring Authority (EHA) for certain Defense Healthcare Occupations	Applies to approximately 40 targeted medical and healthcare occupations MHS-wide	✓	
OPM Government-wide Direct Hire Authority (DHA) for Medical Occupations	Approved for use at all locations and all grade levels for Physicians, Registered Nurses, Licensed Practical/Vocational Nurses, Pharmacists, and Diagnostic Radiologic Technologists		√
OPM Government-wide DHA for Veterinary Medical Officer Positions	Approved nationwide for GS-11 through GS-15 Veterinary positions.		✓
Delegated Examining processes	OPM authorizes agencies to fill competitive civil service jobs with Applicants from outside the Federal workforce or Federal employees with or without competitive service status		√
Various non-competitive authorities	Such as Veterans' Recruitment Authority, Veterans Employment Opportunities Act, etc.		✓
Temporary and term appointments	Temporary and term appointments are used to fill positions when there is not a continuing need for the job to be filled		✓
The Pathways Program	Targets internships and recent graduates		✓
Presidential Management Fellows	Matches outstanding graduate students with exciting Federal opportunities		✓
Schedule A for Fellowship and similar appointments in the excepted service.	Allows hiring people with severe physical disabilities, psychiatric disabilities, and intellectual disabilities. Also to appoint readers, interpreters, and personal assistants for employees with severe disabilities as reasonable accommodations.		√

Results of Using Hiring Authorities: The Department continues to use all existing hiring authorities, particularly EHA and DHA for medical positions. There has been a sharp increase in the use of EHA over the past five years and a concomitant drop in the use of Delegated Examining (DE). To demonstrate, at the end of FY11, only 65 hiring actions were made using EHA which equates to one percent of all hire actions. However, by the end of FY16, 1,200 medical employees were hired using this authority, representing 22.9 percent of all hiring actions. In contrast, 1,071 employees were hired via DE in FY11 versus 619 in FY16. This decrease in using the more lengthy DE method demonstrates the Military Health System's (MHS) commitment to using more streamlined hiring processes.

Types of Compensation Authorities:

Compensation authorities fall into two broad categories. First, Title 38 authorities delegated to DoD via an OPM/DoD agreement which include, but are not limited to Special Salary Rate Authority (which allows DoD to increase rates of basic pay to amounts competitive within the local labor market, including the Department of Veterans Affairs); Physicians and Dentists Pay Plan; Nurse Locality Pay System; Head Nurse Pay; and Premium Pay. Second, government-wide authorities which include, but are not limited to, Superior Qualifications Appointments; Recruitment, Relocation, and Retention Incentives; Student Loan Repayment Program; Service credit for leave accrual; and Title 5 Special Salary Rate Authority (which allows OPM to adjust pay, for instance, when non-Federal employees are paid significantly higher than Federal employees; when the position is in a remote location and/or when the work is undesirable and therefore difficult to fill).

Results of Using Compensation Authorities: The use of compensation authorities continues to be robust. The MHS currently has approximately 2,200 Physicians and Dentists under the PDPP and there are 180 SSRs in place, benefiting approximately 10,000 employees.

The Department continues to use various recruitment/retention incentives, including repayment of student loans and service credit for leave accrual. Of particular note is the increase throughout the Department in the use of superior qualifications authority. This authority was used to set the rate of basic pay of newly-appointed employees at a rate above the minimum of the appropriate General Schedule (GS) grade because of the superior qualifications of the candidate or a special need of the agency for the candidate's services. This authority was used only 529 times in FY13 but as of the end of FY16, 1,200 persons had their pay set using this flexibility. Not only is this another indication of how we are using our current authorities, it is also an indicator that the DoD is able to attract an increasing number of highly qualified applicants who subsequently join the DoD.

One significant indicator that the use of current authorities is improving retention is the noticeable drop in the number of employees leaving the MHS. As the chart below demonstrates, 8,899 persons left the MHS in FY11 and by end FY16, the number of losses dropped to 5,486. This represents a 38.3 percent reduction in civilian personnel losses from FY11 to FY16.

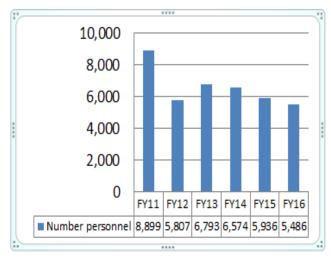


Table 2: Turnover FY11-FY16

One final indicator that the hiring and compensation authorities are having positive results is the turnover trend data for the "Mission Critical Occupations" (MCOs). These occupations are: Psychologist, Licensed Clinical Social Worker, Physician, Physician Assistant, Registered Nurse, Licensed Practical Nurse, Physical Therapist and Pharmacist.

The turnover rate for six of our eight MCOs decreased from FY15 to FY16. The following table illustrates the change:

16 1 G 10 10 0	TX 7.4 F	E3E74.6
Mission Critical Occupation	FY15	FY16
	Turnover Rate	Turnover Rate
Positive Changes		
Licensed Clinical	11.8 %	10.9%
Social Workers		
Physicians	11.1%	10.5%
Physician Assistants	17.9 %	12.3%
Registered Nurses	11.3%	10.3%
Pharmacists	9.8%	9 %
Negative Changes		
Clinical Psychologists	9 %	13.8%
Licensed Practical	15%	15.2%.
Nurse		

Table 3: Mission Critical Occupations Turnover FY11-FY16

The Department is in the process of addressing the increased turnover in Clinical Psychologists through the Services and the Chief Human Capital Officer (CHCO). We will provide a status update in next year's FY17 report.

Strategic Recruitment and Retention Analysis:

Looking ahead to 2024, the Bureau of Labor Statistics forecasts that the demand for all the MHS MCOs is expected to rise across the United States. In addition, the retirement eligibility for each of our MCOs suggests potential recruiting and retention challenges.

Job Series	BLS Projected Increase by 2024	Retirement Eligibility by 2021
Psychologists	19%	35%
Licensed Social Workers	12%	37%
Physicians	14%	45%
Physician Assistants	30%	29%
Registered Nurses	16%	28%
Licensed Practical//Vocational Nurses	16%	18%
Physical Therapists	34%	12%
Pharmacists	3%	26%

Table 4: Projected Demand and Retirement Eligibility

The noted increase in retirement eligibility of Psychologists, Licensed Social Workers, Physicians and Physician Assistants indicate the need for additional scrutiny and analysis. This is being studied by the Services and an analysis and mitigation strategy will be addressed in next year's report.

In addition to our MCOs, over the next five years, the Services anticipate recruitment and retention challenges with a number of specific healthcare specialties. For instance, Air Force expects an increased need for Family Physicians, Nurse Practitioners, Physician Assistants, Pharmacists, Physical Therapists, Nurses and Medical Coders. The National Capital Region Medical Directorate (NCRMD) indicates growing demands for Psychologists, Licensed Clinical Social Workers, Registered Nurses, Medical Aids and Technicians, Physician Assistants, Physical Therapists, Medical Support Assistants, Physicians, Occupational Therapists and Licensed Practical Nurses. Army's chief needs are for Clinical Psychologists. Navy is projecting increased needs for Child Psychologists, Occupational and Physical Therapists, Industrial Hygienists and Speech Pathologists.

There are a number of specialties for which we have challenges recruiting and retaining that may seem extraneous to the needs of the MHS. An example is that of Child Psychologists. This is representative of a unique need within our system to address access, quality of care and quality of life issues. Child psychologists are included in our requirements to help ensure access to timely care given there is a nationwide shortage of this specialty. This is especially true in some of our more remote locations. Additionally, we know that military children may suffer from more anxiety, stress and depression due to parental deployments and increased changes in duty stations and locations. Thus, Child Psychologists familiar with the military culture are better prepared to treat the unique needs of our population. This, in turn, reduces the stress on the military member which makes them better prepared for their operational role.

Despite the widespread use of SSR's and other Title 38 compensation authorities noted above, the difficulties the MHS anticipates are primarily due to competition from the private sector and the impact of basic supply and demand. Air Force and the NCRMD, in particular, have observed

that the need for healthcare providers and staff across the nation is increasing as the population ages, while the number of people entering healthcare occupations is not increasing sufficiently to meet the expected demand. The primary barrier to becoming more competitive with other employers is that the MHS is unable to compete with compensation packages offered by private and public sector hospitals. For instance, private sector employers are often able to offer incentives such as stock options and flexibility in determining salary offers, bonuses and benefits. Additionally, the pool of available skilled healthcare providers is also often limited by the remote geographic locations of many military installations.

The Services report that they are taking a number of steps to address their projected recruitment and retention problems. All Services and the NCRMD report robust/increased use of SSR's. To illustrate, Army indicated that they use Title 38 market pay for PDPP physicians and dentists; Title 38 SSR tables to remain competitive with the VA and the private sector; and Title 38 premium pay for the other 30 healthcare specialties, especially the nurses.

The NCRMD has targeted recruitment efforts and enhanced awareness of openings by using paid advertising. The Air Force indicates that they will continue to use the PDPP for hiring physicians and dentists; and NCRMD will coordinate job fairs, working with subject matter experts to ensure quality candidates are recruited; and use the Pathways Program for selected occupations.

Enterprise-level efforts:

In addition to the Services' efforts described above, the CHCO is addressing MHS recruitment and retention strategies at the enterprise level through two specific efforts. The DoD has the authority (under Title 10, section 1599c (2)) to expand the use of DHA and is working closely with the Services to identify which occupations would benefit from using DHA processes. The DoD also has the authority to request approval from the OPM to use agency-specific qualification standards. A comprehensive review of 30 MHS occupations is currently underway and when it is found that OPM qualification standards are not yielding a good pool of applicants, the Department will develop the necessary documentation and justification for DoD-specific qualification standards and will submit them to OPM for review. We anticipate the initial review will be completed by the middle of FY17.

Maintaining surveillance over human capital metrics is an on-going responsibility of the CHCO and is an inherent part of program oversight. An ongoing review of data and metrics provides additional insight into program effectiveness and includes an ongoing analysis of time to hire, personnel gains and losses, use of hiring and compensation authorities, turn-over rates, and feedback from the field combined with awareness of projected nationwide trends. Based on the finding from this oversight and governance processes, the CHCO will develop and seek approval for any additional authorities, flexibilities and/or processes that might be needed and when it is found that OPM qualification standards are not yielding a good pool of applicants, the Department will develop the necessary documentation and justification for DoD-specific qualification standards and will submit them to OPM for review. Use of agency-specific standards is fundamental to recruiting the highest quality applicants who have the knowledge, skill and credentials required in the 21st Century medical environment and that are vital to providing world-class care to our military personnel and their beneficiaries.

Conclusion:

The Services are using a multi-pronged approach to proactively address looming healthcare professional shortages. Their demonstrated use of the various authorities and flexibilities confirms that the Services are successfully using available authorities and can tailor their use to address their particular circumstances. It is clear that there is no single solution for MHS recruitment and retention problems. The Department believes that the Services' efforts will, in combination with efforts at the MHS enterprise level, positively impact the ability to recruit and retain highly-qualified healthcare professionals. However, the MHS leadership must remain vigilant in analyzing data trends and receiving feedback from the Services so that informed decisions can be made about additional recruitment and retention strategies that might be warranted to support mission requirements.

SIDE BY SIDE COMPARISON OF AUTHORITIES

(Critical Need Occupations covered by these authorities are listed at the end of this report)

DEPARTMENT OF DEFENSE		DEPARTMENT OF VETERANS AFFAIRS
OPM/DOD DELEGATION AGREEMENT: AUTHORITY: The U.S. Office of Personnel Management (OPM), under the authority of sections 1104 and 5371 of title 5 United States Code, authorizes the Department of Defense (DoD) to use certain personnel authorities for health care occupations under 38 U.S.C. chapter 74, subject to the requirements and restrictions herein. For purposes of this agreement, "health care occupations" means positions other than positions in the Senior Executive Service that provide direct patient care services or services incident to direct patient-care services and which would be covered by 5 U.S.C. chapter 51 were it not for the provisions of this agreement If DoD uses one of the authorities in this agreement, the comparable authority in title 5 is waived.	TITLE 10 SECTION 1599c: AUTHORITY: (1) The Secretary of Defense may, at the discretion of the Secretary, exercise any authority for the appointment and pay of health care personnel under chapter 74 of title 38 for purposes of the recruitment, employment, and retention of civilian health care professionals for the DoD if the Secretary determines that the exercise of such authority is necessary in order to provide or enhance the capacity of the Department to provide care and treatment for members of the armed forces who are wounded or injured on Active Duty in the armed forces and to support the ongoing patient care and medical readiness, education, and training requirements of the DoD.	TITLE 38 CHAPTER 74 AUTHORITY: This chapter of title 38 is the Law governing personnel administration within the Veterans Health Administration (VHA). The Secretary of the Veterans Administration has the authority to use this entire chapter to hire, retain and pay civilian personnel within the VHA. Healthcare occupations within VHA are in the Excepted Service; those of the DoD are in the Competitive Service. Therefore, there are some inherent differences in requirements. For example, DoD does not have an exception to Time-in-Grade requirements as set out in title 5.
COORDINATION/OVERSIGHT: DoD is required to:	COORDINATION/OVERSIGHT: None	COORDINATION/OVERSIGHT: None
Participate in the Interagency Committee on Health Care Occupations, which includes DoD, HHS, DOJ, DVA, OHS and the Armed Forces Retirement Home, among others. Allow programs to be monitored by OPM. Use of authorities must be reviewed by and coordinated with OPM and other Agencies	TORC	TYORG

SYNOPSIS OF TITLE 38 CHAPTER 74 AUTHORITIES

VETERANS HEALTH ADMINISTRATION	DEPARTMENT OF DEFENSE	
	OPM/DoD Delegation Agreement Authority	Title 10 Section 1599c
Title 38 is the basis for DVA personnel programs. 7401-Appointments in VHA Lists the healthcare occupations that may be appointed by the Secretary. The list includes most, if not all direct care/clinical occupations. Basis for expedited hiring authority for all critical need occupations.	Not included in OPM delegation	No corresponding authority
7402-Qualifications of Appointees. Gives qualification requirements for several clinical occupations as well as providing the authority to create qualifications requirements for other clinical occupations. Covers all critical need occupations.	Authority to Establish Qualifications-7402(a), (b), (d), and (f)	No corresponding authority
7403-Period of Appointments; promotions - allows for development of qualifications, describes principles of veterans preference requirement, and a system of promotion and advancement covers all critical need occupations	Qualification-based Grading system-7403(a), (b) (4), (c), (e) and (f) (I). Title 5 chapter 51 specifically exempts certain employees in the VHA from the requirements of chapter 51. DoD is not similarly exempted.	No corresponding authority
7404-Grades and Pay Scales-	Not included in OPM delegation	No corresponding authority
7405-Temporary full-time appointments, part- time appointments, and without-compensation	Not included in OPM delegation	No corresponding authority
7406-Residencies and Internships. The Secretary may establish residencies and internships and contract with hospitals, medical schools or medical	Not included in OPM delegation	No corresponding authority
7407-Waiver provisions for certain occupations, waiver of citizenship requirements in certain cases	Not included in OPM delegation	No corresponding authority
7408-Appointment at a rate of pay above the minimum rate of the grade in certain circumstances	Not included in OPM delegation	No corresponding authority
7409-Contracts for scarce medical specialist services	Not included in OPM delegation	No corresponding authority
7410-Additional pay authorities. 3Rs, interview expenses.	Special Incentive Pay for Pharmacist Executives -7410(b).	In the case of the 3Rs, title 5 authorities are used for DoD
7411-Full-time board-certified physicians and dentists: reimbursement of continuing professional education expenses	Not included in OPM delegation	No corresponding authority

7421-7426-Subchapter II, Collective Bargaining and Personnel Administration	Hours of Employment -742l(a)	No corresponding authority
7431-7433-Subchapter Ill-Pay for Physicians and Dentists.	Pay for Physicians and Dentists -743 l(a), (b), (c), (d)(l)-(5), (e)(2)-(4), (t) and (h); 7432; and 7433(a), DoD I 1400.25, volume 543- Pay Plan for DoD Civilian Physicians and Dentists Covered by the General Schedule	No corresponding authority
Special Salary Rate Authority-7455(a) (I), (a) (2) (A) and (B), (b), (c), and (d).	Under the Delegation Agreement there are approval and coordination responsibilities incumbent upon DoD with OPM and other Agencies which have targeted occupations. The agreement also specifies the process and approvals to be used for market surveys. There is also a reporting requirement to OPM for each SSR approved by DoD.	1599c provides that DoD may use 7455 to set special salary rates. DCPAS uses the authority in the Delegation Agreement because, according to DCPAS, that specific provision has been delegated to DCPAS to approve and there is no requirement to delegate under 1599c. HOWEVER, the same authority is contained in 1599c. 1599c does not require approval or coordination with OPM or other agencies. Covers all critical needs occupations.
Baylor Plan and Alternate Work Schedules-7456 and 7456A	7456- DoD I 1400.25, volume 541, Pay Under Title 38-Special Rules for Nurses Under the Baylor Plan was reissued November 17, 2106. Implemented by DoD I 1400.25, volumes 540 Pay Pursuant to Title 38-Additional Pay for Certain Healthcare Professionals and 541, Pay Under Title 38- Special Rules for Nurses Under the Baylor Plan	Also authorized by 1599c
Premium Pay-7453, 7454 and 7457(a) and (b),	Implemented by DoDI 1400.25, volume 540 Pay Pursuant to Title 38-additional Pay for Certain Healthcare Professionals	Also authorized by 1599c. In order to use 1599c as the authority, DoD I 1400.25, volume 540, Pay Pursuant to Title 38-additional Pay for Certain Healthcare Professionals would have to be amended
7452- Head Nurse Pay and Nurse Executive Special Pav-7452(a)(2) and (2)	Full Authority	No corresponding authority
Nurse Locality Pay System -745 l(a), (b), (c), (d), (e)	Full Authority	No corresponding authority
	OPM Delegation Agreement covers only those specific sections/paragraphs listed above.	Title 38 chapter 74 is available in its entirety to facilitate the intent of 1599c

HEALTH CARE SHORTAGE AND /OR CRITICAL OCCUPATION NEEDS OCCUPATION

PSYCHOLOGIST; PSYCHOLOGY AID & TECHNICIAN; SOCIAL WORKER; SOCIAL SERVICES AID & ASSISTANT; GENERAL HEALTH SCIENCE (CHIROPRACTOR) (CYTOTECHNOLOGIST); MEDICAL OFFICER / PHYSICIAN; PHYSICIAN ASSISTANT; NURSE; PRACTICAL NURSE; NURSING ASSISTANT; DIETITIAN & NUTRITIONIST; OCCUPATIONAL THERAPIST; PHYSICAL THERAPIST; REHABILITATION THERAPY ASSISTANT; EMT/PARAMEDIC; NUCLEAR MEDICINE TECHNICIAN; MEDICAL TECHNOLOGIST; MEDICAL TECHNICIAN; DIAGNOSTIC RADIOLOGIC TECHNOLOGIST; THERAPEUTIC RADIOLOGIC TECHNOLOGIST; MEDICAL INSTRUMENT TECHNICIAN; RESPIRATORY THERAPIST; PHARMACIST; PHARMACY TECHNICIAN;; OPTOMETRIST;; SPEECH PATHOLOGIST & AUDIOLOGIST; ORTHOTIST & PROSTHETIST; PODIATRIST;; MEDICAL RECORDS ADMINISTRATOR; HEALTH SYSTEM SPECIALIST; MEDICAL RECORDS TECHNICIAN; DENTAL OFFICER / DENTIST; DENTAL ASST (EXP FUNC DENTAL AUX; DENTAL HYGIENIST; DENTAL LABORATORY AID & TECHNICIAN; INDUSTRIAL HYGIENISTVETERINARIAN; BIOENGINEER: and BIOMEDICAL ENGINEER