OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

The Honorable Roger F. Wicker
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20515

SEP 2 2 2026

Dear Mr. Chairman:

The Department's response to Senate Report 112–173, pages 132-133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, "Health Care Provider Appointment and Compensation Authorities," is enclosed.

This FY 2025 report found that the Department continues to make extensive use of available appointment and compensation authorities for health care providers. All Department of War (DoW) Components reported impacts on their civilian medical personnel as a result of the Federal hiring reform in FY 2025. Personnel data showed significant increases in resignations and retirements and a decrease in hiring. The DoW Components continue to report inability to match the compensation offered by other Federal Agencies and the private sector as the biggest challenge for recruitment and retention. However, this is being mitigated with available flexibilities, such as special salary rates; superior qualifications and special needs pay-setting; and recruitment, retention, and relocation incentives. The utilization of appointment and compensation authorities as well as mitigation strategies and initiatives will continue to be evaluated, and progress updates addressed in future reports.

Thank you for your continued strong support for the health and well-being of our Service members, veterans, and their families. I am sending similar letters to the other congressional defense committees, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Government Reform of the House of Representatives.

Sincerely,

[redacted]

Sean O'Keefe
Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member

OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

SEP 2 2 2026

The Honorable Susan Collins
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairman:

The Department's response to Senate Report 112–173, pages 132-133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, "Health Care Provider Appointment and Compensation Authorities," is enclosed.

This FY 2025 report found that the Department continues to make extensive use of available appointment and compensation authorities for health care providers. All Department of War (DoW) Components reported impacts on their civilian medical personnel as a result of the Federal hiring reform in FY 2025. Personnel data showed significant increases in resignations and retirements and a decrease in hiring. The DoW Components continue to report inability to match the compensation offered by other Federal Agencies and the private sector as the biggest challenge for recruitment and retention. However, this is being mitigated with available flexibilities, such as special salary rates; superior qualifications and special needs pay-setting; and recruitment, retention, and relocation incentives. The utilization of appointment and compensation authorities as well as mitigation strategies and initiatives will continue to be evaluated, and progress updates addressed in future reports.

Thank you for your continued strong support for the health and well-being of our Service members, veterans, and their families. I am sending similar letters to the other congressional defense committees, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Government Reform of the House of Representatives.

Sincerely,

[redacted]

Sean O'Keefe
Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Patty Murray
Vice Chair

[redacted]

OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

SEP 2 2 2026

The Honorable Mike D. Rogers
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20510

Dear Mr. Chairman:

The Department's response to Senate Report 112–173, pages 132-133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, "Health Care Provider Appointment and Compensation Authorities," is enclosed.

This FY 2025 report found that the Department continues to make extensive use of available appointment and compensation authorities for health care providers. All Department of War (DoW) Components reported impacts on their civilian medical personnel as a result of the Federal hiring reform in FY 2025. Personnel data showed significant increases in resignations and retirements and a decrease in hiring. The DoW Components continue to report inability to match the compensation offered by other Federal Agencies and the private sector as the biggest challenge for recruitment and retention. However, this is being mitigated with available flexibilities, such as special salary rates; superior qualifications and special needs pay-setting; and recruitment, retention, and relocation incentives. The utilization of appointment and compensation authorities as well as mitigation strategies and initiatives will continue to be evaluated, and progress updates addressed in future reports.

Thank you for your continued strong support for the health and well-being of our Service members, veterans, and their families. I am sending similar letters to the other congressional defense committees, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Government Reform of the House of Representatives.

Sincerely,

[redacted]

Sean O'Keefe
Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member

[redacted]

OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

The Honorable Tom Cole
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

SEP 2 2 2026

Dear Mr. Chairman:

The Department's response to Senate Report 112–173, pages 132-133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, "Health Care Provider Appointment and Compensation Authorities," is enclosed.

This FY 2025 report found that the Department continues to make extensive use of available appointment and compensation authorities for health care providers. All Department of War (DoW) Components reported impacts on their civilian medical personnel as a result of the Federal hiring reform in FY 2025. Personnel data showed significant increases in resignations and retirements and a decrease in hiring. The DoW Components continue to report inability to match the compensation offered by other Federal Agencies and the private sector as the biggest challenge for recruitment and retention. However, this is being mitigated with available flexibilities, such as special salary rates; superior qualifications and special needs pay-setting; and recruitment, retention, and relocation incentives. The utilization of appointment and compensation authorities as well as mitigation strategies and initiatives will continue to be evaluated, and progress updates addressed in future reports.

Thank you for your continued strong support for the health and well-being of our Service members, veterans, and their families. I am sending similar letters to the other congressional defense committees, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Government Reform of the House of Representatives.

Sincerely,

[redacted]

Sean O'Keefe
Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Rosa L. DeLauro
Ranking Member

[redacted]

OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND READINESS

SEP 2 2 2026

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

Dear Mr. Chairman:

The Department's response to Senate Report 112–173, pages 132-133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, "Health Care Provider Appointment and Compensation Authorities," is enclosed.

This FY 2025 report found that the Department continues to make extensive use of available appointment and compensation authorities for health care providers. All Department of War (DoW) Components reported impacts on their civilian medical personnel as a result of the Federal hiring reform in FY 2025. Personnel data showed significant increases in resignations and retirements and a decrease in hiring. The DoW Components continue to report inability to match the compensation offered by other Federal Agencies and the private sector as the biggest challenge for recruitment and retention. However, this is being mitigated with available flexibilities, such as special salary rates; superior qualifications and special needs pay-setting; and recruitment, retention, and relocation incentives. The utilization of appointment and compensation authorities as well as mitigation strategies and initiatives will continue to be evaluated, and progress updates addressed in future reports.

Thank you for your continued strong support for the health and well-being of our Service members, veterans, and their families. I am sending similar letters to the congressional defense committees and the Committee on Oversight and Government Reform of the House of Representatives.

Sincerely,

[redacted]

Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Gary Peters
Ranking Member

[redacted]

OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND READINESS

SEP 2 2 2026

The Honorable James R. Comer
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Department's response to Senate Report 112–173, pages 132-133, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year (FY) 2013, "Health Care Provider Appointment and Compensation Authorities," is enclosed.

This FY 2025 report found that the Department continues to make extensive use of available appointment and compensation authorities for health care providers. All Department of War (DoW) Components reported impacts on their civilian medical personnel as a result of the Federal hiring reform in FY 2025. Personnel data showed significant increases in resignations and retirements and a decrease in hiring. The DoW Components continue to report inability to match the compensation offered by other Federal Agencies and the private sector as the biggest challenge for recruitment and retention. However, this is being mitigated with available flexibilities, such as special salary rates; superior qualifications and special needs pay-setting; and recruitment, retention, and relocation incentives. The utilization of appointment and compensation authorities as well as mitigation strategies and initiatives will continue to be evaluated, and progress updates addressed in future reports.

Thank you for your continued strong support for the health and well-being of our Service members, veterans, and their families. I am sending similar letters to the congressional defense committees and the Committee on Homeland Security and Governmental Affairs of the Senate.

Sincerely,

[redacted]

Sean O'Keefe
Deputy Under Secretary of War for Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Robert Garcia
Ranking Member

[redacted]

Report to the Congressional Defense Committees, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Government Reform of the House of Representatives

Health Care Provider Appointment and Compensation Authorities

September 2026

The estimated cost of this report or study for the Department of War is approximately $8,060 in Fiscal Years 2025 - 2026. This includes $0 in expenses and $8,060 in DoW labor.
Generated on 2026Mar31 RefID: E-B0A4602

BACKGROUND

Senate Report 112–173, pages 132-133, accompanying S. 3254, the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2013, requests that the Department of War (DoW) report annually to Congress on its use of appointment and compensation authorities to recruit and retain experienced civilian health care professionals in critically needed health care occupations. This report summarizes the extent to which such authorities were used successfully throughout the DoW during FY 2025 to attract and retain high quality providers, as well as close gaps in shortage category and critical need health care occupations. As requested, the Department consulted with the Office of Personnel Management (OPM) on this report.

TYPES OF APPOINTMENT AND COMPENSATION AUTHORITIES

Appointment and pay authorities for DoW health care personnel are made under the provisions of 5 U.S.C. DoW regularly uses Agency-specific Direct Hire Authorities (DHAs) to fill a myriad of health care positions, as well as a full range of Government-wide hiring authorities administered by OPM. A summary of the authorities most widely used is provided in Table 1 below. These authorities are critical in fulfilling the Military Health System's (MHS) staffing needs, especially in critical need roles. Statistics on the use of these authorities are provided within this report.

Table 1. DoW and OPM Hiring Authorities

Authority/Flexibility	Scope & Coverage	DoW Specific	Gov't Wide
Direct Hire Authority for the Department of Defense in 5 U.S.C. § 9905 enacted December 20, 2019	Authority to appoint qualified candidates to any category of medical or health professional positions within the Department designated by the Secretary as a shortage category or critical need occupation. Appointments may be made to positions in the competitive service in the DoW without regard to chapter 33, subchapter I of title 5, U.S.C., other than sections 3303 and 3328. This authority expires September 30, 2030.	✓	
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 Appointment Authority, which allows non-competitive appointment of 30 percent disabled veterans leading to the conversion of career or career conditional appointment.		✓
Temporary and term appointments	Temporary and term appointments are used to fill positions when there is not a need for the job to be filled on a permanent basis.		✓
Pathways Program	Targets internships and recent graduates.		✓

Additionally, 10 U.S.C. § 1599c(a) authorizes DoW to use *any* authority under 38 U.S.C., Chapter 74, which is the appointment and pay authorities for Department of Veterans Affairs' (VA) health care personnel. OPM has delegated *certain* authorities from 38 U.S.C., Chapter 74 to DoW, as shown below in Table 2.

Table 2. OPM Delegation of 38 U.S.C., Chapter 74 Authorities to DoW

Authorities Delegated and Available for Use	Authorities Delegated but Pending Policy
Special Salary Rate Authority – 38 U.S.C. § 7455(a)(1), (a)(2)(A) and (B), (b), (c), and (d)	Authority to Establish Qualifications – 38 U.S.C. § 7402(a), (b), (d), and (f)
Baylor Plan and Alternate Work Schedules – 38 U.S.C. §§ 7456 and 7456A	Qualification-based Grading System – 38 U.S.C. § 7403(a), (b)(4), (c), (e) and (f)(1)
Premium Pay – 38 U.S.C. §§ 7453, 7454, and 7457(a) and (b)	Nurse and Other Health-Care Personnel: Competitive Pay System – 38 U.S.C. § 7451(a), (b), (c), (d), (e), and (f)
Head Nurse Pay and Nurse Executive Special Pay – 38 U.S.C. § 7452(a)(2) and (g)	Special Incentive Pay for Pharmacist Executives – 38 U.S.C. § 7410(b)
Hours of Employment – 38 U.S.C. §§ 7421(a) and 7423(a)	
Pay for Physicians, Podiatrists, and Dentists – 38 U.S.C. §§ 7431(a), (b), (c), (d), (e), (f) and (h); 7432; and 7433	

DOW ALIGNMENT WITH VA

During FY 2024, the Department agreed to implement five concurrent initiatives to increase health care personnel capacity to more effectively care for and improve medical support to our readiness posture, pursuant to personnel authorities in 38 U.S.C., Chapter 74. One of the initiatives includes expanding implementation of the authorities in Table 2. The status of this initiative and others is detailed later in this report.

UTILIZATION OF APPOINTMENT AND COMPENSATION AUTHORITIES

Servicing human resources offices continue to make extensive use of the DHAs under title 5, making them the primary and most utilized hiring authorities for the recruitment of civilian healthcare personnel. This demonstrates a solid MHS commitment to utilization of the advantages provided by this invaluable hiring flexibility to streamline the recruitment of critical need personnel. Use of this essential authority has continued to rise in the past 4 years as shown below.

- FY 2022, 81 percent of all hiring actions were filled using DHA authorities
- FY 2023, 80 percent of all hiring actions were filled using DHA authorities
- FY 2024, 82 percent of all hiring actions were filled using DHA authorities
- FY 2025, 82 percent of all hiring actions were filled using DHA authorities

Additional compensation authorities used to attract candidates and retain employees in health care occupations are summarized below.

- Special Salary Rates (SSRs) and Superior Qualifications and Special Needs Pay-Setting Authority (SQA). DoW continues to review SSR tables to ensure comparability with VA's salary ranges. In FY 2025, a total of 13,003 (or 31 percent) employees within the Medical Functional Community (MFC)[1] were covered by SSRs and SQAs. This is a 2 percent increase from FY 2024. Usage of SSRs and SQAs was highest among the following mission critical occupations (MCOs) respectively: Pharmacist, Practical Nurse, and Nurse.

- Physicians, Podiatrists, and Dentists Pay Plan (PPDPP). In FY 2024, DoW aligned with VA and updated policy to include podiatrists in the PPDPP. Conversion of DoW podiatrists to PPDPP was completed in FY 2025. This pay plan allows DoW to offer competitive salaries and benefits to physicians, podiatrists, and dentists, not only in comparison to VA but also with the external market. Additionally, it allows DoW to pay physicians, podiatrists, and dentists market pay that reflects the recruitment and retention needs for the specialty or assignment at a facility. The market pay of all PPDPP employees is reviewed at least once every 2 years for internal and external equity. As of September 30, 2025, the MHS had approximately 2,002 physicians, 20 podiatrists, and 177 dentists under the PPDPP. This is a 5 percent decrease from 2024. DoW continues to recruit and retain physicians and dentists by offering a combination of the recruitment, retention, and relocation incentives (commonly referred to as the 3R incentives) along with SQAs, as appropriate, in addition to the market pay allowed under PPDPP.

- Recruitment, Retention, Relocation (3R) Incentives. DoW continues to use 3R incentives to the maximum extent possible. Use of the incentives to recruit employees has proven invaluable in appointing new candidates into difficult to fill positions. Similarly, relocation incentives have aided in relocating employees to different geographic areas where hard to fill jobs exist. Retention incentives also helped in keeping current employees who were likely to leave DoW. During FY 2025, DoW provided a total of 1,546 3R incentives (equating to more than $18.2M). 3R incentive usage was highest among the following MCOs respectively: Nurse, Physician, and Social Worker.

- Student Loan Repayment Program (SLRP). The SLRP permits Agencies to repay certain types of Federal student loans (including certain student loans that are made through Federal programs or are federally insured or guaranteed) to attract and retain highly qualified employees. During FY 2025, DoW provided SLRP benefits equating to more than $900K within the MFC. SLRP usage was highest in the following MCOs respectively: Nurse, Social Worker, and Psychologist.

[1] Department of Defense Instruction 1400.25, Volume 250, "DoD Civilian Personnel Management System: Civilian Strategic Human Capital Planning (SHCP)," June 7, 2016, defines a Functional Community as: "A group of one or more occupational series or specialties with common functions, competencies, and career paths to accomplish a specific part of the DoW mission."

In addition to these compensation authorities, DoW continues to offer funding for employee development training, work-life benefits, such as flexible work schedules and service credit for leave accrual, to attract high quality candidates. However, the Military Departments continue to report that the ability to achieve and maintain comparability with VA and private sector compensation is paramount for recruitment and retention successes.

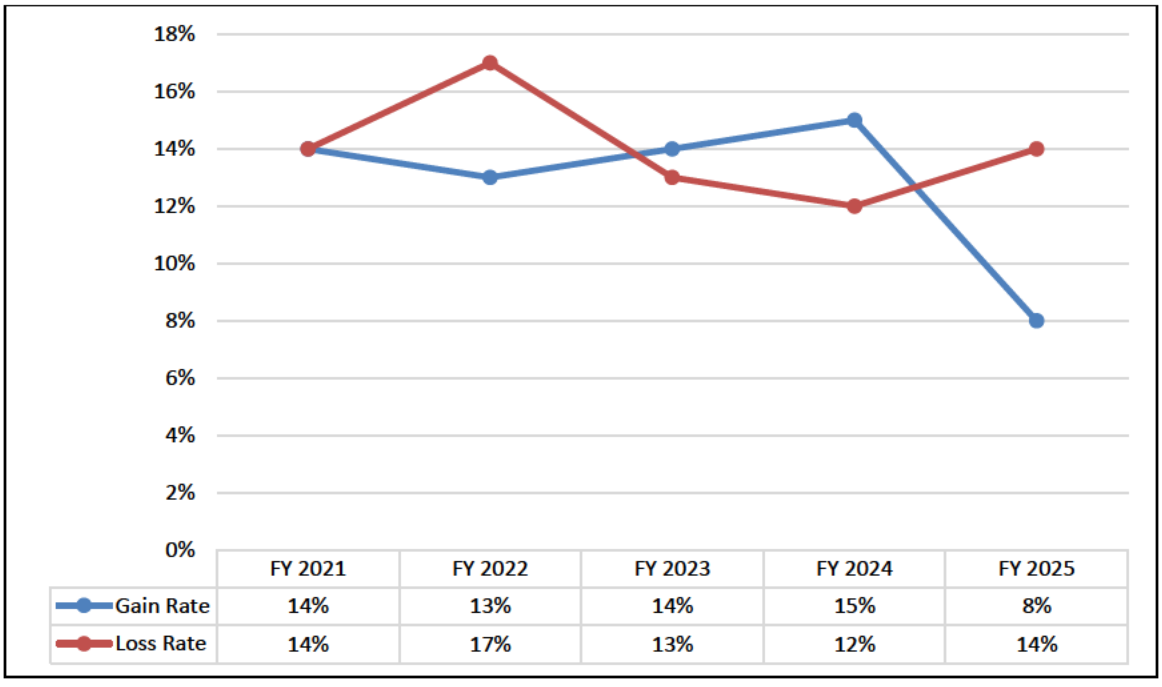
ANALYSIS OF RECRUITMENT AND RETENTION

Recruitment and retention of health care professionals was analyzed by reviewing various MFC metrics, including external hires (referred to as gains) and external separations (referred to as losses). Gain and loss rates were determined by reviewing external hires and separations and do not include internal movement or transfers within DoW. A thorough analysis of recruitment and retention based on these metrics is provided in this section.

EXTERNAL GAIN AND LOSS RATES[2]

As the following figure illustrates, the external gain rate was consistent from FY 2021 to FY 2024. The external loss rate increased in FY 2022 but significantly decreased in FY 2023 and remained within the same margin. In FY 2025, there was a significant decrease in gain rate (from 15 percent in FY 2024 to 8 percent in FY 2025) and an increase in loss rate. This was not unexpected given the Federal hiring reforms implemented during FY 2025, including the Federal hiring freeze, Deferred Resignation Program (DRP), Voluntary Early Retirement Authority (VERA), and Voluntary Separation Incentive Payments (VSIP).

Figure 1. External Gain and Loss Rates in the MFC from FY 2021 to FY 2025



	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Gain Rate	14%	13%	14%	15%	8%
Loss Rate	14%	17%	13%	12%	14%

[2] Data in the Corporate Management Information System, which houses civilian data from the Defense Civilian Personnel Data System, is the source for rate calculations.

SEPARATIONS IN THE MFC

As expected due to the Federal hiring reform in FY 2025, there was a shift in external separations within the MFC. Resignations and retirements increased, while external transfers decreased. This trend continues to support the belief that most MFC personnel who separate from DoW are resigning from Federal service altogether (see Figure 2 below). This is further substantiated by the age group of the resignation pool. As illustrated in Figure 3, most employees who resigned were not of retirement age. The next highest category of external separations in FY 2025 was retirements. Retirements significantly increased, from 24 percent in FY 2024 to 28 percent in FY 2025. While transfers to other Federal Agencies significantly decreased, from 16 percent in FY 2024 to 8 percent in FY 2025, transfers to VA remain high (accounting for 87 percent of all external transfers). However, as a result of the lapse in Government appropriations starting on October 1, 2025, timely processing of separation personnel actions was delayed and affected the availability of data regarding separations specific to the DRP, VERA, and VSIP.

Figure 2. External Separations in the MFC by Separation Type from FY 2021 to FY 2025

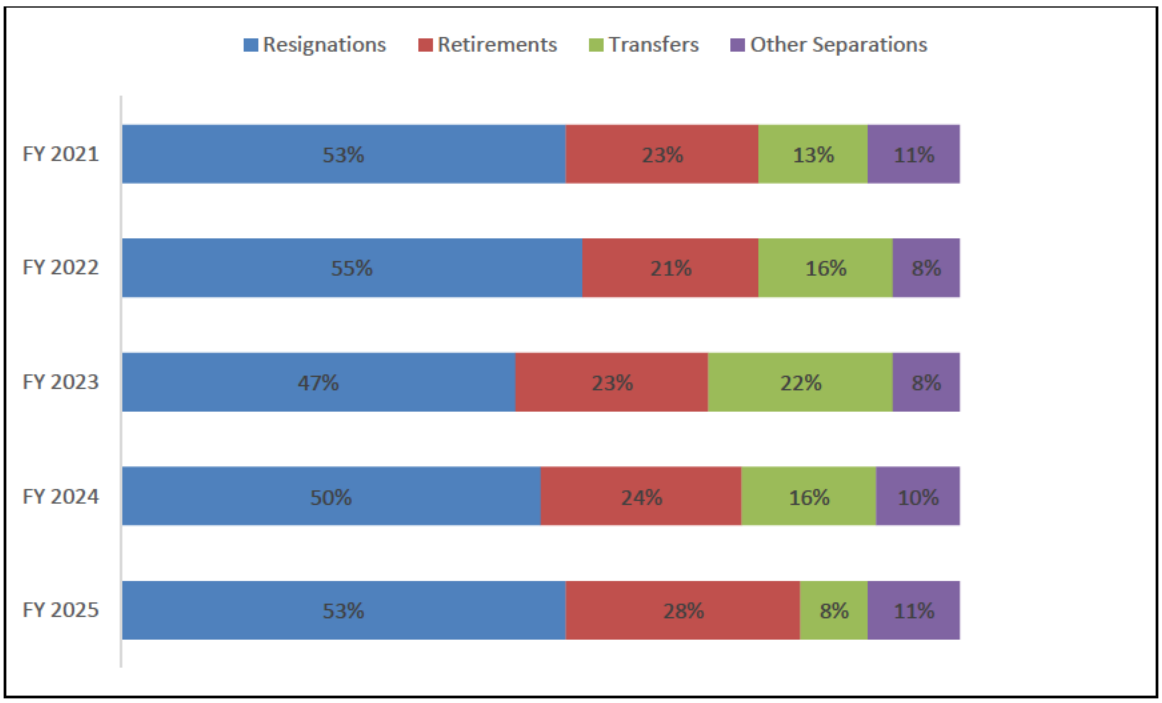
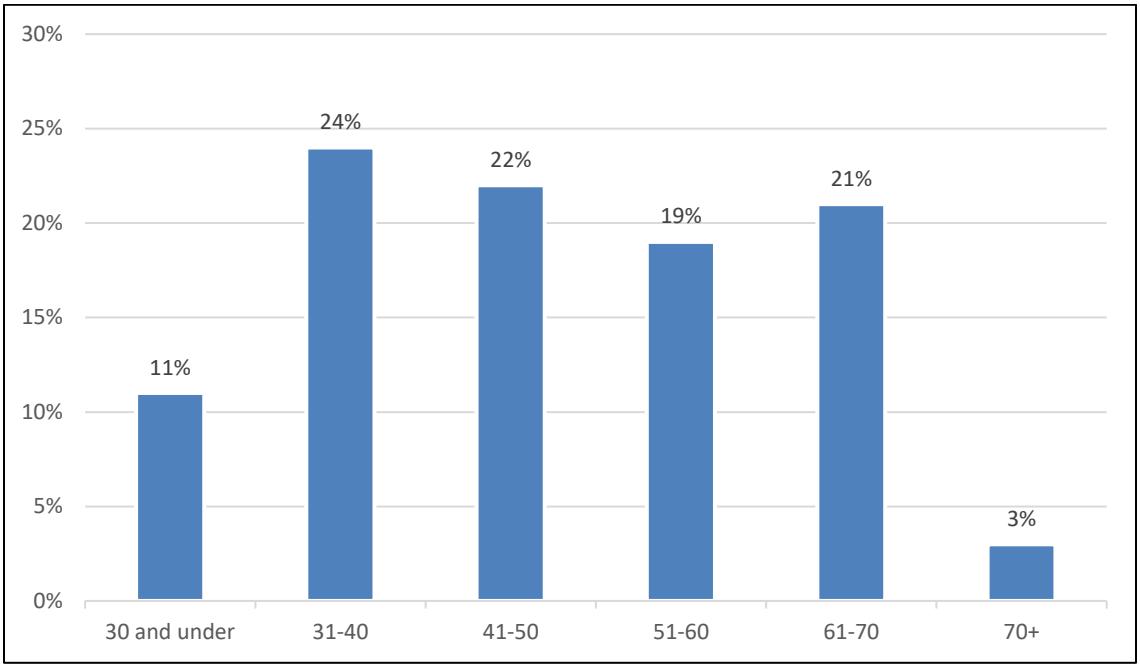


Figure 3. Resignations within the MFC in FY 2025 by Age Group



EFFORTS TO UNDERSTAND SEPARATIONS

To identify areas for improvement in the retention of healthcare employees, DoW utilizes a variety of information and efforts including review and action of top issues identified by exit surveys and unit climate assessments. DoW continues to track losses and gather critical qualitative information on employees' choice to exit employment with the Department. Additionally, departing employees are requested to provide their reason for resignation, however, this cannot be mandated, and some employees choose not to do so. However, as illustrated in Figure 2, DoW can determine what percentage of employees resign, retire, or transfer to another Government Agency. Based on input from the DoW Components, employees who separate from DoW go to organizations or facilities where they are paid more and/or to obtain better career progression. This is discussed further in the Challenges in Recruitment and Retention section of this report.

ANALYSIS OF LOSS RATES IN MCOS

The following table illustrates the loss rate for the MCOs in the previous 5 years. Analysis of loss rates allows the MHS to determine trends in retention. The results for FY 2025 indicate loss rates increased across all MCOs, except for Physician Assistant. The loss rate increased most in the following MCOs: Physical Therapist, Psychologist, and Dentist. Data from the past 5 years show that resignations account for most separations in the MCOs. However, retirements account for most separations in the following MCOs: Physician, Pharmacist, and Dentist.

Table 3. Loss Rate of MCOs from FY 2021 to FY 2025

Mission Critical Occupation	2021	2022	2023	2024	2025
Psychology (0180)	11%	12%	9%	10%	14%
Social Work (0185)	14%	18%	14%	12%	15%
Medical Officer (0602)	11%	12%	9%	10%	13%
Physician Assistant (0603)	13%	16%	11%	14%	12%
Nurse (0610)	13%	17%	11%	11%	12%
Practical Nurse (0620)	18%	25%	16%	14%	17%
Physical Therapist (0633)	9%	9%	9%	8%	13%
Pharmacist (0660)	10%	9%	9%	7%	8%
Dental Officer (0680)	14%	14%	13%	14%	18%

RECRUITMENT AND RETENTION MITIGATION STRATEGIES AND SUCCESSES

In addition to the utilization of appointment and compensation authorities, the DoW Components have identified various mitigation strategies to address recruitment and retention challenges. These include:

- Waiver for Experienced Nurses at Military Medical Treatment Facilities (MTFs). Section 716 of the Servicemember Quality of Life Improvement and NDAA for FY 2025 (Public Law 118–159) allows hiring managers of MTFs and other DoW health care facilities to waive any General Schedule work experience requirement established by OPM in the case of any DoW applicant for a nursing or practical nurse position with DoW experience. This new authority enhances DoW's ability to identify and appoint quality nurse candidates across the MHS.

- MHS Civilian Hiring Initiatives. In FY 2024, DoW agreed to implement five concurrent initiatives to improve the hiring of civilian health care personnel. These initiatives include improving time to hire; hiring new Bachelor of Science nursing graduates; creating a career path for Licensed Practical Nurses and increasing special salary rates. As of the end of FY 2025, each of these initiatives is underway.

- Defense Health Agency Headquarters Medical Recruitment Team (MRT). In FY 2025, the MRT completed its second full year of recruiting medical specialties. This group performs nationwide recruitment for medical MCO positions and generates awareness of DoW health care employment opportunities utilizing social media forums, employment sites, medical journals, and conferences. During FY 2025, the MRT exhibited at 33 medical conferences generating 335 leads for hard-to-fill occupations. Additionally, the MRT referred 2,259 qualified candidates to open positions with 305 candidates that entered on duty and another 137 that were onboarding by the end of FY 2025. Notably, the MRT's production was impacted by the Federal hiring reform, such as the Federal hiring freeze as well as the DRP. In

addition, the team conducted four candidate-aligned focus groups in FY 2025 to determine the effectiveness of marketing efforts.

- Defense Health Agency Career Development and Training Initiatives. The Defense Health Agency expanded its career development and training portfolio in FY 2025 to provide comprehensive, enterprise-wide learning opportunities. This includes enhanced technical training, leadership and development programs designed to support employees within their functional career community. These initiatives reflect deliberate investment in workplace growth, building capability, and succession planning, fostering a culture of continuous learning, reinforcing employee engagement, strengthening mission readiness, and promoting long-term retention across critical health care occupations.

- Defense Health Agency Efforts to Offset Attrition. To address attrition rates, particularly due to retirement and other losses, the Defense Health Agency is actively implementing several strategies. These initiatives are designed to mitigate attrition impacts and ensure a skilled health care workforce is retained.

  - Succession Planning: Developing succession plans to ensure continuity in critical health care roles by identifying high-potential employees for smooth role transitions.

  - Mentorship Programs: Encouraging mentorship where experienced providers guide junior staff, passing on institutional knowledge.

  - Career Advancement Opportunities: Structured career progression pathways and leadership programs to encourage internal promotions and employee growth within the Agency.

  - Workforce Analytics: Using data-driven analytics to forecast retirement trends and workforce gaps for proactive staffing.

- Army Medical Command (MEDCOM) Hiring Collaboration. During FY 2025, MEDCOM collaborated with the Army Civilian Career Management Activity (ACCMA) to promote the use of supplemental funding for 3R incentives and SLRP for civilian medical positions. ACCMA implemented new processes to enable all commands to capitalize on supplemental funds. MEDCOM has also continued to conduct bi-weekly hiring streamline meetings composed of key stakeholders to identify unique or systemic issues and develop solutions, such as alternative recruitment strategies, utilizing direct hiring authorities, incentives and hiring flexibilities. Prior to the Federal hiring freeze, combined efforts from these streamline meetings resulted in decreased fill-time by 40 days, from 180 days to 140.

- Navy "Get Real, Get Better". In FY 2025, the Navy continued to implement the "Get Real, Get Better" initiative designed to improve retention and recruitment. One effort to reduce attrition included reviewing exit surveys and meeting with employee

engagement groups to identify areas of improvement and develop action plan recommendations for leadership. Another strategy included digital marketing, such as a "We are Navy Medicine" video produced in FY 2025 highlighting civilian medical occupations. Additionally, a dedicated Civilian Corps Office was established to support employee development and provide resources to recognize employee service and contributions.

- Air Force Personnel Center (AFPC) Talent Acquisition (TA) Division Medical Career Team. The AFPC TA team continues to review projected attrition rates and collaborate with medical units to maximize use of all potential marketing and recruiting tools. They provide strategic workforce planning, forecasting, and analysis with innovative marketing and acquisition tools to address urgent and long-term hiring needs. The AFPC TA team also leverages various social media platforms to expand candidate reach, especially for critical need occupation vacancies.

CONCLUSION

All DoW Components reported impacts on their civilian medical personnel as a result of the Federal hiring reform in FY 2025. Personnel data showed significant increases in resignations and retirements and a significant decrease in hiring. However, strides continue to be made using the OPM delegation agreement and 10 U.S.C. § 1599c(a). The utilization of appointment and compensation authorities as well as mitigation strategies and initiatives will continue to be evaluated, and progress updates will be included in the FY 2026 report. The MHS remains committed to exploring all avenues to enhance recruitment and retention strategies within its health care occupations.