



# Department of Defense INSTRUCTION

NUMBER 1400.25, Volume 543  
December 8, 2008

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USD(P&R)

SUBJECT: Pay Plan for DoD Civilian Physicians and Dentists Covered by the General Schedule

References: See Enclosure 1

## 1. PURPOSE

a. In accordance with the authority in DoD Directive 5124.02 (Reference (a)), this Instruction establishes and implements policy, establishes uniform DoD-wide procedures, provides guidelines and model programs, delegates authority, and assigns responsibilities regarding civilian personnel management within the Department of Defense.

b. This Volume:

(1) Updates and replaces subchapter 543 of DoD 1400.25-M (Reference (b)) and establishes policy, assigns responsibilities, and provides procedural guidance for setting the pay of DoD civilian physicians and dentists according to sections 1104 and 5371 of title 5, United States Code (U.S.C.) and section 7431(c), (e)(2)-(4), (f), and (h) of title 38, U.S.C. (References (c) and (d)) as authorized by Reference (a) and the Delegation Agreement Between the Office of Personnel Management (OPM) and the Department of Defense (Reference (e)).

(2) Establishes the Health Professions Civilian Compensation Standing Committee (HPCCSC) chartered to determine the composition of and operating guidelines for compensation panels under the provisions of DoD Directive 5105.18 (Reference (f)) and as mandated by References (d) and (e) and this Volume. The HPCCSC will ensure that composition of the panels will prevent conflicts of interest and promote merit system principles.

## 2. APPLICABILITY

a. This Volume applies to:

(1) OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the

Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the “DoD Components”).

(2) DoD civilian physicians and dentists (full-time or part-time with tours of at least 20 hours per pay period) at GS-15 or below and equivalent, who provide direct patient care services or services incident to direct patient care, and who would be covered by sections 5304, 5305, and 5307 of Reference (c), were it not for the provisions of Reference (e).

b. The provisions of this Volume do not apply to:

- (1) Employees who are serving in an internship or residency training program;
- (2) Employees who are employed on less than a quarter-time basis or on an intermittent basis;
- (3) Employees who are covered by the National Security Personnel System;
- (4) Employees who are reemployed annuitants;
- (5) Employees who are in the Senior Executive Service (SES);
- (6) Employees who are in senior level, or scientific or professional positions paid under section 5376 of Reference (c) or hired as highly qualified experts paid under section 9903 of Reference (c); and
- (7) Employees who are foreign nationals paid under local nation pay schedules.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

a. Secretaries of Military Departments and Heads of Defense Agencies or DoD Field Activities who employ civilian physicians and dentists implement a pay plan for eligible physicians and dentists as prescribed by Reference (e) and this Volume. This authority may be delegated, in writing, for use in accordance with Reference (e) and this Volume. The only exception is the authority to determine the structure and location of compensation panels, which shall be retained by the HPCSC, operating under the direction of the Assistant Secretary of Defense for Health Affairs (ASD(HA)).

b. The authority to implement the Physicians and Dentists Pay Plan (PDPP) may be delegated through DoD Component and Command channels to officials who exercise personnel appointing authority (normally the head of a military treatment facility or equivalent).

c. DoD physicians and dentists holding a position to which Reference (c) applies shall be paid under rules established by Reference (d) as authorized by Reference (e).

d. DoD use of the provisions contained in Reference (d) constitutes a waiver of the comparable provisions in Reference (c).

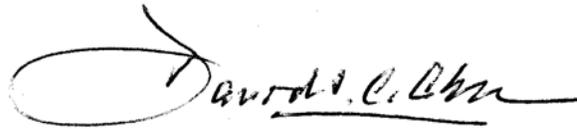
e. Physicians and dentists will be compensated at levels that are reasonably comparable with the total pay of physicians and dentists employed in similar positions in other Federal healthcare facilities and in the private and non-Federal sectors.

5. RESPONSIBILITIES. See Enclosure 2.

6. PROCEDURES. Enclosure 3 provides the overarching procedures and requirements for implementing the PDPP and approving the annual pay of civilian physicians and dentists covered by the PDPP and this Volume.

7. RELEASABILITY. UNLIMITED. This Volume is approved for public release. Copies may be obtained through the Internet from the DoD Issuances Web Site at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE. This Volume is effective immediately.



David S. C. Chu  
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Enclosures

1. References
  2. Responsibilities
  3. PDPP Implementation Procedures
- Glossary

TABLE OF CONTENTS

REFERENCES .....5  
RESPONSIBILITIES .....6

PDPP IMPLEMENTATION PROCEDURES .....8  
    GENERAL INFORMATION.....8  
    PAY RANGES.....8  
    BASE PAY .....9  
    MARKET PAY.....9  
    PAY ADMINISTRATION.....11  
    CONVERSION PROTOCOL.....13

DoD PHYSICIANS AND DENTISTS CLINICAL SPECIALTY PAY TABLES .....14

DoD PHYSICIANS AND DENTISTS TIER COVERAGE .....15

HPCCSC CHARTER.....16  
    AUTHORITY .....16  
    COMMITTEE STRUCTURE .....16  
    COMMITTEE RESPONSIBILITIES.....16

GLOSSARY .....18

    ABBREVIATIONS AND ACRONYMS .....18  
    DEFINITIONS.....18

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- (b) DoD 1400.25-M, “Department of Defense Civilian Personnel Manual (CPM), Subchapter 543: Pay Under Title 38—Special Pay for Physicians and Dentists,” July 1997 (hereby canceled)
- (c) Section 1104; chapters 45, 51, and 53; subchapter V of chapter 55; and sections 5924, 5925, 5928, 5941, 5948, and 9903 of title 5, United States Code
- (d) Sections 7431(c), (e)(2)-(4), (f), and (h) and 7455 of title 38, United States Code
- (e) Delegation Agreement Between the Office of Personnel Management and the Department of Defense, “Concerning the Use of Certain Personnel Authorities for Healthcare Occupations,” July 31, 2006<sup>1</sup>
- (f) DoD Directive 5105.18, “DoD Committee Management Program,” February 8, 1999
- (g) Pages 27637-27638 of Volume 72, Number 94, Federal Register, May 16, 2007

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<sup>1</sup> Reference (e) is available on the Civilian Personnel Management Service web site at [www.cpms.osd.mil/fas/classification/pay\\_policy\\_memos.aspx](http://www.cpms.osd.mil/fas/classification/pay_policy_memos.aspx).

ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)). The USD(P&R) shall have overall responsibility for the PDPP as authorized by Reference (a) and (e).

2. DEPUTY UNDER SECRETARY OF DEFENSE FOR CIVILIAN PERSONNEL POLICY (DUSD(CPP)). The DUSD(CPP), under the authority, direction, and control of the USD(P&R), shall:

- a. Develop the policy governing the implementation of the PDPP set forth in this Volume.
- b. Exercise final approval authority on HPCCSC recommendations concerning the structure, function, and location of compensation panels.

c. Oversee the appropriate and effective use of the pay authorities established in the PDPP.

3. ASD(HA). The ASD(HA), under the authority, direction, and control of the USD(P&R), shall:

a. Oversee the HPCCSC chartered to determine the composition of, and implementing guidelines for, compensation panels mandated by Reference (d) and this Volume.

b. Ensure joint DoD Component compensation panels are established in geographic areas where DoD Component co-located military treatment facilities are needed.

4. HEADS OF THE DoD COMPONENTS. The Heads of the DoD Components shall oversee the effective use of the PDPP pay authorities within their area of responsibility.

5. DoD COMPONENT SURGEONS GENERAL. The DoD Component Surgeons General (or their designees) shall:

a. Oversee the implementation of the PDPP pay authorities.

b. Oversee the operation of the PDPP compensation panels according to the guidelines established by the HPCCSC and consistent with this Volume.

6. DoD COMPONENT MILITARY TREATMENT FACILITY COMMANDERS. The Commanders of the DoD Component military treatment facilities (or their equivalents) shall:

- a. Operate local compensation panels according to the guidelines established by the HPCSC and this Volume.
- b. Provide supplemental policy, direction, and resources as necessary to ensure the effective operation of compensation panels under their jurisdiction.
- c. Monitor compensation panel reviews and pay administration practices to ensure equity and consistency in compensation panel operations.

ENCLOSURE 3

PDPP IMPLEMENTATION PROCEDURES

1. GENERAL INFORMATION

a. Under the provisions of Reference (e), OPM authorizes the Department of Defense to use personnel authorities codified in Reference (d) to establish an alternative pay plan for physicians and dentists subject to certain restrictions contained in Reference (e).

b. Reference (d) requires the Department of Defense to adhere to the pay table and tier structure established by the Secretary of the Department of Veterans Affairs (VA) and published in Volume 72, Number 94, Federal Register (Reference (g)) or to any published VA update superseding the current Reference (g).

c. The pay grades of individual physicians and dentists subject to the provisions of this Instruction will be determined by the General Schedule (GS) classification system as codified in Reference (c). Base pay (excluding locality-based comparability pay or a special salary supplement) will be set at the appropriate GS grade and step as described in section 3 of this Enclosure.

d. Physicians and dentists also will be eligible for market pay, which is a supplement to their basic pay and is determined as described in section 4 of this Enclosure. The sum of base pay and market pay equals the employee's annual pay as defined in the Glossary.

e. Physicians and dentists covered by this Volume will remain eligible for performance awards under the provisions of chapter 45 of Reference (c).

2. PAY RANGES

a. At least once every 2 years the Secretary of Veterans Affairs establishes pay tables and prescribes minimum and maximum amounts of annual pay (base pay plus market pay). DoD uses the VA pay tables and adopts the minimum and maximum amounts set by VA for civilian physicians and dentists covered by this Volume.

b. The VA analyzes data from two or more national surveys of pay for physicians and dentists to establish the pay tables. The national surveys selected include data that describe overall physician and dentist income (inclusive of data on benefits packages) by specialty or assignment covering a broad geographic scope. See Appendix 1 for clinical specialties assigned to each pay table.

c. There may be up to four tiers for each specialty or assignment for which VA has approved a separate range of pay within a pay table. Physicians or dentists are assigned to a tier based on the scope of their responsibilities. See Appendix 2 for a description of each tier level.

d. When the VA decreases the minimum and/or maximum amounts of the pay tables and tiers to which physicians or dentists are assigned, the downward adjustment may not cause a reduction in market pay while the physician or dentist is in the same position or assignment at the same military treatment facility.

e. Authorized management officials must determine individual market pay for DoD physicians and dentists within the rate ranges of the applicable pay tables and tiers and consistent with the guidelines established by the HPCSC. The current minimum and maximum amounts for the pay tables, and tiers within the pay tables, are published in Reference (g). The Department of Defense will use the published tables (or pay tables updated by VA in the future) for civilian physicians and dentists covered by this Volume.

### 3. BASE PAY

a. Each physician and dentist covered by this plan is entitled to a rate of base pay from the GS as defined in section 5332 of Reference (c).

b. The maximum base pay rate for a physician or dentist covered by this plan is the base pay rate for a GS-15, Step 10, exclusive of additional pay of any kind.

c. The base rate is adjusted by the same percentage and on the same effective date as the GS annual adjustments under section 5303 of Reference (c).

d. The authorized management official may not reduce the physician's or dentist's market pay to offset base pay increases.

### 4. MARKET PAY

a. Each physician and dentist covered by this Volume is eligible for market pay in lieu of locality pay established in section 5304 of Reference (c) or a special salary rate supplement established by either section 5305 of Reference (c) or section 7455 of Reference (d). Market pay is an element of annual pay.

b. A compensation panel, comprised primarily of physicians or dentists and human resources compensation specialists, will recommend the appropriate tier and market pay amount for each physician or dentist. The purpose of compensation panels is to ensure the consistency and propriety of market pay decisions.

c. The HPCSC will provide guidelines for use in determining the composition, location, and operation of the panels. See Appendix 3 for the HPCSC charter.

d. Compensation panels make recommendations to the appropriate authorized management official on market pay amounts for individual physicians and dentists according to guidelines established by the HPCCSC and the following criteria.

- (1) The physician's or dentist's level of experience in the specialty or assignment, whether with the Department of Defense, another government entity, or a private concern.
- (2) The need for the specialty at the military treatment facility to which the physician or dentist is assigned.
- (3) The healthcare labor market for the specialty or assignment, which may cover any geographic area the authorized management official deems appropriate.
- (4) The physician's or dentist's board certifications, if any.
- (5) The accomplishments of the physician or dentist in the specialty or assignment.
- (6) Other unique circumstances, qualifications, or credentials the compensation panel considers appropriate.
- (7) Compliance with merit systems principles.

e. The authorized management official, after taking the compensation panel's recommendations into consideration, determines the tier and the amount of market pay for the physician or dentist. Assignment to tier 4 requires the approval of the HPCCSC, which operates under the authority of the ASD(HA).

f. When the authorized management official and the compensation panel do not reach concurrence on the tier assignment and/or the amount of market pay for the individual physician or dentist, the determination will be resolved according to guidelines established by the HPCCSC, which operates under the oversight of the ASD(HA). Physicians and dentists will receive only the base pay appropriate for the position until the market pay amount is approved. Market pay must be approved within 30 days following referral to the HPCCSC.

g. Once set, an individual's market pay may not be reduced unless there is a change in the physician's or dentist's assignment, including a change in duty station, change in facility, or reassignment to a different position in the same facility.

h. When determining market pay for physicians and dentists in areas where employees receive either a foreign post allowance or a non-foreign cost of living allowance, the compensation panel should consider the allowance to ensure adequate, but not excessive, compensation.

i. The appropriate compensation panel will review the market pay of each physician or dentist upon change in assignment but not less often than once every 24 months and may recommend an adjustment to the authorized management official as a result of the review. A

physician or dentist whose market pay is reviewed under this provision will receive written notice of the results of the review. The results may not be used to reduce market pay while the affected physician or dentist is in the same position or assignment at the same military treatment facility.

j. When physicians or dentists are newly appointed, the compensation panel's market pay recommendation approved by the authorized management official should be completed prior to the effective date of the appointment. Physicians or dentists appointed without the compensation panel's recommendation will receive only the base pay appropriate for the position until the market pay is approved. Market pay must be approved within 30 days following the appointment; all payments will be retroactive to the effective date of the appointment.

k. Except as provided in paragraphs f and j of this section, the market pay of physicians or dentists paid under this plan will be effective at the beginning of the pay period immediately following approval by the authorized management official. Adjustments in market pay may not be approved retroactively unless the delay in the adjustment is attributable to administrative error.

## 5. PAY ADMINISTRATION

a. Annual pay is basic pay for the purposes of computing civil service retirement benefits; lump sum annual leave payments; life insurance; thrift savings plan; workers' compensation claims; severance pay; foreign and non-foreign cost-of-living allowances and differentials; danger pay; recruitment, relocation, and retention incentives; continuation of pay; and authorized advances in pay. The annual pay for physicians or dentists may not exceed the maximum amount in the prescribed tier for the appropriate specialty or assignment unless one of the following conditions exists:

(1) The physician or dentist receives a GS base pay increase (i.e., annual adjustment, promotion (permanent or temporary), within-grade increase, or quality-step increase), which causes the annual pay (base pay plus market pay) to exceed the maximum rate of the tier.

(2) An exception is granted by the authorized management official.

(a) Exceptions may be granted for an individual, a specialty or assignment, and/or a facility when failure to approve the exception would significantly impair an organization's ability to recruit or retain well-qualified physicians or dentists.

(b) A written request for an exception must be submitted to the authorized management official for approval. Each request must provide evidence that the rates in the appropriate market area are higher than the existing maximum rate for the specialty or assignment, the organization cannot retain the affected employee(s), and the loss of the employee(s) would have a demonstrable adverse impact on the organization. Prior to approval, the authorized management official must obtain concurrence of the HPCCSC.

(c) Physicians or dentists receiving pay that exceeds the maximum of the assigned tier will be eligible for any future market pay increase if that increase is established as an exception under this paragraph.

(3) A previously granted exception is terminated but an individual physician's or dentist's annual pay exceeds the maximum of the tier and the physician or dentist did not change positions or assignments at the time the exception was terminated.

(4) The physician or dentist moves from an SES position to a position where market pay applies and the former SES pay is higher than the market pay rate range. The physician's or dentist's base pay will be set at the maximum step of the appropriate grade and the remainder of the employee's pay will be designated as market pay.

b. Physicians or dentists receiving pay that exceeds the maximum of the assigned tier will be eligible for full annual adjustments to GS base pay, promotion increases, within grade increases, and quality-step increases under the applicable provisions of Reference (c).

c. Foreign area cost-of-living (post) allowances and post differentials authorized under sections 5924 and 5925 of Reference (c), respectively; danger pay allowances authorized under section 5928 of Reference (c); and non-foreign area cost-of-living allowances and post differentials authorized under section 5941 of Reference (c) will be computed as a percentage of a physician's or dentist's annual pay (base pay plus market pay).

d. Physicians or dentists who receive market pay as an element of their annual pay are not eligible for Physicians' Comparability Allowance under section 5948 of Reference (c).

e. Physicians or dentists who receive market pay as an element of their annual pay are not eligible for premium pays under subchapter V, chapter 55 of Reference (c) (e.g., overtime, night pay, compensatory time off, compensatory time off for travel).

f. Physicians or dentists who receive market pay may not receive grade or pay retention under subchapter VI, chapter 53 of Reference (c).

g. Except as provided in paragraphs 5.d. and 5.e. of this enclosure, physicians or dentists who receive market pay as an element of their annual pay may receive other payments authorized by Reference (c) to include recruitment, retention, and relocation incentives and awards. The sum of all payments paid to a physician or dentist under authorities codified in Reference (c), including the base pay rate established by the GS but excluding market pay, is subject to the Executive Level I annual limitation.

h. The sum of payments subject to the Executive Level I annual limitation plus market pay cannot exceed the annual salary of the President of the United States, excluding expenses.

## 6. CONVERSION PROTOCOL

a. A physician or dentist must not suffer any loss in pay upon initial conversion. In determining the amount of market pay at the time of conversion, the authorized management official must take into consideration the following payments made under Reference (c) authorities, so the employee does not lose pay:

- (1) The employee's Physician Comparability Allowance, if any.
- (2) The premium pay the employee was receiving or would have received under subchapter V, chapter 55 of Reference (c).
- (3) The employee's locality payments.
- (4) The employee's special salary rate supplement, if any.

b. The annual amount of the employee's GS base pay plus market pay may not be less than the minimum or more than the maximum rate of the applicable pay table and tier unless a higher rate is necessary to maintain the employee's salary upon conversion. Physicians and dentists whose annual pay falls below the prescribed minimum for the newly designated tier will receive an increase in market pay up to the minimum for the tier.

#### Appendices

1. DoD Physicians and Dentists Clinical Specialty Pay Tables
2. DoD Physicians and Dentists Tier Coverage
3. HPCCSC Charter

APPENDIX 1 TO ENCLOSURE 3

DoD PHYSICIANS AND DENTISTS CLINICAL SPECIALTY PAY TABLES

**PAY TABLE ONE CLINICAL SPECIALTIES**

Admitting Physician	Primary Care
Allergy & Immunization	Psychiatry
Endocrinology	Rheumatology
Geriatrics	General Practice-Dentistry
Family Practice	Endodontics
Infectious Diseases	Periodontics
Internal Medicine	Prosthodontics
Neurology	
Preventive Medicine	
Other Assignments (Specialties not listed for Tables 2-4)	

**PAY TABLE TWO CLINICAL SPECIALTIES**

Critical Care (Board Certified)  
Emergency Medicine  
Gynecology  
Hematology-Oncology  
Nephrology  
Obstetrics  
Occupational Medicine  
Pathology  
Physical Medicine & Rehabilitation/Physiatry/Spinal Cord Injury  
Pulmonary

**PAY TABLE THREE CLINICAL SPECIALTIES**

Cardiology (Non-Invasive)  
Dermatology  
Gastroenterology  
Nuclear Medicine  
Ophthalmology  
Oral Surgery  
Otolaryngology

**PAY TABLE FOUR CLINICAL SPECIALTIES**

Anesthesiology  
Cardiology (Invasive)  
Colorectal Surgery  
General Surgery  
Plastic Surgery  
Radiation Oncology  
Radiology  
Refractive Surgery  
Therapeutic Radiology  
Trauma/Critical Care Surgery  
Urology  
Urologic Surgery  
Vascular Surgery

**PAY TABLE FIVE DoD CLINICAL SPECIALTIES**

Cardio-Thoracic Surgery  
Neurosurgery  
Orthopedic Surgery  
Radiology (Interventionalist)

APPENDIX 2 TO ENCLOSURE 3DoD PHYSICIANS AND DENTISTS TIER COVERAGE

<b>TIER</b>	<b>COVERAGE</b>
<b>TIER 1</b>	<p><b>Positions:</b> Nonsupervisory direct patient care services.</p> <p><b>Scope:</b> Clinic, dispensary, ambulatory care or ambulatory military treatment facility.</p> <p><b>Definition:</b> Tier 1 physician and dentist positions involve the full range of cases, from those where the patients have common ailments to the very difficult, in a medical specialty. The most difficult and complex diagnostic cases may be referred to consultants at specialized facilities. Tier 1 positions may be responsible for medical students, interns, or residents assigned for training in their specialty. They may also engage in some research projects. This level is appropriate for most clinical and dispensary assignments.</p>
<b>TIER 2</b>	<p><b>Positions:</b> Direct patient care services and medical program managers. May involve program responsibility for Tier 1 facilities. All tier 1 and tier 2 supervisory positions are considered tier 2 positions.</p> <p><b>Scope:</b> Full patient care hospital.</p> <p><b>Definition:</b> Tier 2 physician and dentist positions involve the full range of cases, from those where the patients have common ailments to the very difficult, in a medical specialty and are located in full patient care hospitals. They serve as consultants on the most difficult cases and perform the most advanced diagnostic and treatment procedures at their facility. The most difficult and complex diagnostic cases may be referred to consultants at special facilities. Tier 2 positions may be responsible for medical students, interns, or residents assigned for training in their specialty. They may also engage in some research projects. This level is appropriate for most hospital assignments.</p>
<b>TIER 3</b>	<p><b>Positions:</b> Direct patient care services and medical program managers or researchers at medical centers and research facilities.</p> <p><b>Scope:</b> Headquarters of major commands, medical centers, or medical research facilities.</p> <p><b>Definition:</b></p> <p>(A) Patient Care. Tier 3 physician and dentist patient care positions are typically located at specialized medical centers and are responsible for the most difficult cases where they routinely diagnose rare and difficult-to-identify symptoms and are responsible for developing a full-treatment regimen using emerging techniques and/or prolonged or complicated procedures. Cases are often critical and require immediate decisions because patients have failed to respond to previously-tried regimens. Within the Department of Defense, this level is typically found at medical research facilities and special DoD medical facilities (e.g., Walter Reed Army Medical Center for prosthesis, Brooke Army Medical Center for burn treatment, etc.).</p> <p>(B) Research and Administration. Tier 3 physician and dentist positions are typically located at headquarters of major medical commands with responsibility for medical program development and/or oversight of significant Command and/or Component or DoD level programs. Program development and/or oversight at this level do not require the physician and/or dentist to perform direct patient care functions. Tier 3 may also be appropriate for positions performing significant medical research.</p>
<b>TIER 4</b>	<p><b>Positions:</b> Component- or Department-wide specialty expert, specialty program manager, or nationally recognized researcher.</p> <p><b>Scope:</b> Typically Command/Component headquarters or medical research facilities.</p> <p><b>Definition:</b> Tier 4 physician and dentist positions are typically located at Command and/or Component headquarters and are Component- or Department-wide specialty experts, program managers of unique medical specialties, or nationally recognized researchers. Tier 4 positions do not require the physician and/or dentist to perform direct patient care functions.</p>

APPENDIX 3 TO ENCLOSURE 3

HPCCSC CHARTER

1. AUTHORITY. The HPCCSC is chartered under the authority of the USD (P&R) according to section 7431(c)(4)(B) of Reference (d), which requires the establishment of compensation panels that:

a. Recommend tier assignments and market pay amounts for individual physicians and dentists upon recruitment, promotion, or position change.

b. Review existing compensation determinations at least once every 2 years to determine needed adjustments.

2. COMMITTEE STRUCTURE

a. The HPCCSC will be chaired by the Chair, Health Professions Incentive Working Group and will be comprised of the following members:

(1) Two representatives from each of the DoD Military Departments. At least one representative from each Military Department must be a physician or dentist.

(2) One representative from the Office of the Deputy Assistant Secretary of Defense for Health Budgets and Financial Policy.

(3) One representative from the Office of the Deputy Assistant Secretary of Defense for Clinical and Program Policy.

(4) One representative from the Office of the DUSD(CPP).

(5) One representative from DoD Civilian Personnel Management Service, Wage and Salary Division.

b. The HPCCSC will meet semiannually or, as needed, at the call of the Chairperson.

3. COMMITTEE RESPONSIBILITIES. The HPCCSC will implement the requirements for compensation panels according to section 7431(c) of Reference (d). The HPCCSC will:

a. Develop recommendations for the oversight and implementation of compensation levels of civilian healthcare professionals within the Department (e.g., the PDPP).

b. Submit recommendations on compensation levels to the Senior Medical Military Advisory Committee (SMMAC) for review and to the ASD (HA) and the DUSD(CPP) for approval.

c. Develop recommendations for the PDPP architecture for military treatment facility tier assignments and present to the ASD (HA) for approval.

d. Develop implementing guidelines for compensation panel use when setting market pay for individual physicians and dentists and present to the SMMAC for review and to the ASD (HA) and the DUSD(CPP) for approval.

e. Remain current on pertinent laws, policies, procedures, and market surveys pertaining to market pay and total compensation packages for civilian healthcare occupations.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

ASD(HA)	Assistant Secretary of Defense for Health Affairs
DUSD(CPP)	Deputy Under Secretary of Defense for Civilian Personnel Policy
GS	General Schedule
HPCCSC	Health Professions Civilian Compensation Standing Committee
OPM	Office of Personnel Management
PDPP	DoD Civilian Physicians and Dentists Pay Plan
SES	Senior Executive Service
SMMAC	Senior Medical Military Advisory Committee
U.S.C.	United States Code
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
VA	Department of Veterans Affairs

PART II. DEFINITIONS

Unless otherwise noted, the following terms and their definitions are for the purposes of this Volume only.

annual pay. The sum of the employee's base pay rate and market pay. Annual pay is basic pay for the purposes of computing civil service retirement benefits; lump sum annual leave payments; life insurance; thrift savings plan; workers' compensation claims; severance pay; foreign and non-foreign cost-of-living allowances and differentials; danger pay; recruitment, relocation, and retention incentives; continuation of pay; and authorized advances in pay.

authorized management official. The head of the DoD Component or an official who is authorized to act for the head of the DoD Component in all determinations of market pay amounts for civilian physicians and dentists covered by this Volume. The authorized management official will approve tier assignments, establish market pay amounts for individual physicians and dentists, seek concurrence of the HPCCSC when appropriate, and ensure consistent and equitable treatment of similarly situated physicians and dentists.

base pay rate. The GS rate for the physician or dentist occupying a position covered by this plan before any deductions and exclusive of additional pay of any kind.

change in assignment. A permanent change in official duty station, change in schedule (i.e., to and/or from full-time, part-time, or intermittent), change in tier, or a significant change in duties.

compensation panel. A group responsible for making individual tier assignment and market pay recommendations to the authorized management official. To the maximum extent practicable, the compensation panels will include physicians and dentists who do not hold management positions in the military treatment facility that employs the physicians or dentists whose market pay is subject to the panel's recommendations. Physicians or dentists may not be members of the compensation panel that makes recommendations about their personal market pay rates. Regardless of any other requirements, compensation panels must be established so as to avoid conflicts of interest.

HPCCSC. A committee responsible for the development of recommendations implementing and overseeing the compensation of DoD civilian physicians and dentists and for the development of implementation guidance for DoD compensation panels to use in determining the tier assignments and market pay for individual physicians and dentists.

market pay. An element of annual pay intended to reflect the recruitment and retention needs for the specialty or assignment of a particular DoD physician or dentist covered by this plan.

pay table. A set of tiers for clinical specialties grouped together based on recruitment and retention considerations and comparable labor market characteristics. The VA identifies the covered clinical specialties and establishes the minimum and maximum amounts for each of the tiers within the established pay tables.

physician and dentist positions. Positions under the General Schedule at GS-15 or below and equivalent that provide direct patient-care services or services incident to direct patient-care services.

tier. A pay range within a pay table that reflects the different professional responsibilities and/or the administrative duties (i.e., scope of responsibility) of the physicians or dentists assigned to the tier.