

GAO

Fact Sheet for the Honorable  
Thomas A. Daschle, U.S. Senate

July 1994

# INDIAN HEALTH SERVICE

## Efforts to Recruit Health Care Professionals



Printed copies of this document will be available shortly.



United States  
General Accounting Office  
Washington, D.C. 20548

---

Health, Education and Human Services Division

B-256118

July 7, 1994

The Honorable Thomas A. Daschle  
United States Senate

Dear Senator Daschle:

On October 27, 1993, you requested that we conduct a study of Indian Health Service (IHS) employment practices. You specifically requested that we determine (1) if there are any differences in the salary schedules within the various IHS service areas and (2) how current manpower recruitment programs are working in IHS' Aberdeen Area. You also asked us to compare IHS' and the Department of Veterans Affairs' (VA) hiring practices with specific emphasis on how the pay, benefits, and bonuses for health professionals employed by IHS and VA are determined.

Our review was performed at IHS hospitals in Eagle Butte, Pine Ridge, and Rosebud, South Dakota; and Fort Yates, North Dakota. We interviewed IHS staff and tribal health directors at the four locations; IHS and VA headquarters officials; and VA management personnel at the Hot Springs, South Dakota, VA Medical Center. We also interviewed officials with the Office of Personnel Management (OPM), the Aberdeen Area Tribal Chairmen's Health Board, the University of North Dakota School of Medicine, and the University of South Dakota School of Medicine. (See app. I for our scope and methodology).

SUMMARY/FINDINGS

IHS salary schedules for health care professionals are set on a national basis. Thus, there are no differences in the base pay these individuals receive among IHS regions or areas.<sup>1</sup> However, certain bonuses and allowances may be paid to physicians who agree to work in hard-to-fill locations such as the Aberdeen Area. In many IHS areas, the provision of health care has been hampered by IHS' difficulty in recruiting and retaining qualified health care professionals, especially physicians. The recruitment

---

<sup>1</sup>IHS health facilities are located in 12 regions or areas. IHS' Aberdeen Area contains facilities in Iowa, North Dakota, Nebraska, and South Dakota.

and retention of physicians in the Aberdeen Area is hampered by a number of factors, including relatively low pay; inadequate housing for medical personnel on the reservations; remoteness of the reservations; cultural differences between the physicians and their patients; and a general lack of amenities, such as shopping and dining, that are found in urban areas. IHS' Aberdeen Area has a higher vacancy rate for physicians than all but one other IHS area. The vacancy rate has been particularly high, over 31 percent, at the Pine Ridge hospital. IHS is currently examining the benefits of using a physician pay structure similar to that used by VA.

### IHS Salary Schedules

Health care professionals in IHS are either paid under Title 5, U.S. Code or are paid as members of the Public Health Service Commissioned Corps, which is authorized under Title 42.<sup>2</sup> Basic salaries under both pay options are based on nationwide pay schedules and do not vary by location. However, physicians can receive additions to their basic pay and these can vary substantially. For example, physicians can receive higher pay for being board certified, having a specific specialty, and working in a certain location. Generally, physicians working in the Aberdeen Area qualify for higher allowances or special pays. (See section 1.)

### Recruitment Programs

The IHS Aberdeen Area Office established an Office of Professional Services in 1987 to develop and implement a recruiting program to meet the physician staffing needs of the area's medical facilities. The office recruits physicians who have received government scholarships and have service obligations to IHS, physicians wishing to have portions of their school loans repaid by IHS, and others. In addition, staff at IHS hospitals are actively involved

---

<sup>2</sup>The Commissioned Corps is a career system for health professionals in the U.S. Public Health Service, of which the IHS is a component. The Commissioned Corps was established in 1889 and is one of the nation's seven uniformed services (the others being the Army, Navy, Air Force, Marine Corps, Coast Guard, and the National Oceanic and Atmospheric Administration Corps). As such, the Commissioned Corps follows the military model in its rank and benefits systems, and is subject to mobilization in case of national emergency.

in recruiting physicians by maintaining contacts at medical schools and conducting recruiting programs in locations that have relative surpluses of physicians. In spite of these efforts, there is a continual shortfall of physicians wishing to work for IHS in the Aberdeen Area. In fact, as of April 1994 the four service units we visited had eight physician vacancies out of 40 authorized positions.

Although recruiting physicians for the Aberdeen Area is difficult, we were told that recruiting nurses is less troublesome and that there are often more applicants for nursing positions than there are vacancies. Recruiting for nurses is conducted by an area office nurse recruiter and by staff at the individual hospitals. Unlike physicians, many nurses are from the vicinity of the hospitals in which they work and are Native Americans. Nursing schools are also located on some reservations in the Aberdeen Area. (See Section 2.)

#### IHS and VA Compensation

Health care professionals in IHS are paid under different pay structures than their counterparts in VA. As previously stated, IHS physicians and nurses are either paid under Title 5, U.S. Code, or are paid as members of the Commissioned Corps, which is authorized under Title 42. Conversely, VA physicians and nurses are paid under Title 38, U.S. Code.

Title 5 salaries paid to IHS physicians are generally lower than those paid to VA physicians under Title 38. In addition, there are distinct differences between Title 5 and Title 38. Specifically,

- Title 38 uses local peer review boards, rather than agency personnel offices, to evaluate the qualifications of candidates. This could result in a better match of a candidate's qualifications with job needs.
- Title 38 pay rates are based on an individual's relative skills and knowledge. Salaries may be increased above minimum levels, depending on the qualifications of a candidate. This could provide VA greater opportunity to compete in shortage categories by allowing higher salaries to be paid than would be possible under Title 5.

Physicians paid under Title 5 as well as those paid under Title 38 are eligible for a variety of bonuses. Bonuses are paid under Title 5 according to a physician's

specialty, work location, board certification, and length of contract. Bonuses are paid under Title 38 for similar reasons and include those for full-time employment, work location, scarce medical specialty, and board certification. Benefits under the two systems differ somewhat. IHS physicians working under the provisions of Title 5 earn 13 days of annual leave but are paid overtime for work above 40 hours a week.<sup>3</sup> VA physicians earn 30 days of annual leave a year but are considered to be available for work at all times and receive no overtime pay.

Basic salaries for registered nurses are based on nationwide pay schedules under Title 5 and in the Commissioned Corps. Under Title 38, salaries are set locally and are based on prevailing rates. In addition, Commissioned Corps nurses may be eligible for housing and subsistence allowances. Unlike physicians, nurses receive no additional special pays. Benefits for Title 5 and Commissioned Corps nurses are similar to those furnished Title 5 and Commissioned Corps physicians. All nurses under Title 38 earn 26 days of paid annual leave a year, regardless of the number of years of service.

In December 1993, OPM notified the Departments of Defense, Justice, and HHS that it plans to permit them to exercise Title 38 pay authority. Specific plans to apply Title 38 within these organizations will be discussed by an interagency committee consisting of representatives of OPM, VA, and the agencies that will be given the opportunity to exercise Title 38 authority. A working group of the interagency committee was formed in March 1994. However, an IHS workgroup that is reviewing recruiting and retention problems has compared various components of Title 5 and Title 38 and has recommended that caution be taken in applying Title 38 in IHS. For example, the workgroup believes that (1) Title 38's complex special pay categories for physicians may confuse candidates and (2) pay in rural areas may be lower for nurses under Title 38 than it currently is under Title 5 because Title 38 nursing salaries are set locally and are based on the prevailing wages paid in the area.

---

<sup>3</sup>Annual leave earned is determined by the years of service. Employees earn 13 work days a year for the first 3 years, 20 days a year during the 4th through 14th years, and 26 days a year afterward.

Depending on specialty and work location, IHS' Commissioned Corps physicians may receive lower pay than either Title 5 or Title 38 physicians. However, they receive more lucrative benefits, such as retirement after 20 years service and generally free medical care for themselves and their dependents. (Section 3 contains a detailed discussion of the pay, benefits, and bonuses paid under Title 5, Title 38, and to the Commissioned Corps).

Efforts to Enhance  
Recruiting and Retention

Several studies have addressed IHS' recruiting and retention problems and have proposed solutions. For example, a 1987 study by the Office of Technology Assessment (OTA) recommended increasing physician salaries in hard-to-fill locations, reestablishing a scholarship program for physicians, and transferring certain physicians from other Public Health Service agencies to IHS. An IHS workgroup is currently studying recruiting and retention problems and anticipates a final report by September 1994. The workgroup is addressing pay issues, the need to increase funding for recruiting incentives, and cultural issues.

IHS has a number of initiatives that are under way and are designed to help recruit and retain health care professionals. IHS supports Indians Into Medicine (INMED), a program initiated by the University of North Dakota, that is designed to provide academic, financial, and personal support for Native American students who are in colleges or professional schools preparing for health careers. IHS also provides scholarships to Native American students who are working toward degrees in health areas. Scholarship recipients agree to work for IHS for 2 to 4 years after graduation. In addition, IHS will pay for school loans for health care professionals agreeing to work for IHS. Up to \$30,000 a year can be paid towards such loans, along with an allowance to pay the income tax on the benefit. (See section 4.)

AGENCY COMMENTS

We provided a draft of this fact sheet to responsible agency officials and have incorporated their comments where appropriate. These officials generally agreed with the information presented.

- - - - -

B-256118

If you have any questions about this fact sheet please contact James A. Carlan, Assistant Director, at (202) 512-7120, or Joseph J. Buschy, Senior Evaluator, at (303) 572-7351. Other evaluators who made contributions to this report include Cheryl A. Brand, Donna M. Bulvin, Mary Ann Curran, and Donald C. Hahn.

Sincerely yours,



David P. Baine  
Director, Federal Health  
Care Delivery Issues

CONTENTS

	<u>Page</u>
LETTER	1
SECTION	
1 SALARY SCHEDULES WITHIN IHS Physician Compensation Nurse Compensation	9
2 RECRUITING AND RETENTION OF PHYSICIANS AND NURSES IN IHS' ABERDEEN AREA	13
Use of Recruiting and Relocation Bonuses and Retention Allowances	
Recruiting and Retention of Physicians	
Recruiting and Retention of Nurses	
VA Recruiting and Retention	
3 COMPARISON OF PAY, BONUSSES, AND BENEFITS MADE TO HEALTHCARE PROFESSIONALS EMPLOYED BY IHS AND VA	19
Title 5 Pay, Bonuses, and Benefits	
Commissioned Corps Pay, Bonuses, and Benefits	
Title 38 Pay, Bonuses, and Benefits	
Delegation of Title 38 to Departments Other Than VA	
Comparison of Provisions in Title 38 and Title 5 That Impact Recruitment and Retention	
Comparison of IHS and VA Compensation to Healthcare Professionals in the Aberdeen Area	
4 EFFORTS TO ENHANCE RECRUITING AND RETENTION OF HEALTHCARE PROFESSIONALS AT IHS FACILITIES	25
APPENDIX	
I SCOPE AND METHODOLOGY	31

**TABLES**

1.1	Examples of Starting Pay for IHS Title 5 and Commissioned Corps Physicians	10
1.2	Examples of Starting Pay, Including Allowances, for IHS Title 5 and Commissioned Corps Registered Nurses	12
2.1	IHS Physician Vacancy Rates, by Area, as of April 1994	16
3.1	Examples of Starting Pay for Physicians in the Aberdeen Area under the Provisions of Title 38 and Title 5 and the Commissioned Corps	22
3.2	Starting Pay Ranges for Physician Assistants in IHS and VA	23
3.3	Starting Salaries for Registered Nurses With No Experience, by Educational Background, for IHS and VA's Hot Springs, South Dakota Hospital	24
4.1	IHS Loan Program Awards, Fiscal Years 1988-93	28

**FIGURES**

4.1	Physician Recipients of National Health Service Corps Scholarships Assigned to IHS Facilities, Fiscal Years 1980-93	29
-----	---	----

**ABBREVIATIONS**

FERS	Federal Employees Retirement System
GS	general schedule
HHS	Department of Health and Human Services
IHS	Indian Health Service
INMED	Indians Into Medicine
OPM	Office of Personnel Management
OTA	Office of Technology Assessment
VA	Department of Veterans Affairs

SALARY SCHEDULES WITHIN IHS

Health care professionals in IHS are paid under the general schedule (GS) as authorized by Title 5, U.S. Code, or are paid as members of the Public Health Service's Commissioned Corps. Basic salaries as well as bonuses and allowances differ significantly between the two pay systems as well as among health care occupations.

PHYSICIAN COMPENSATION

Physicians paid under Title 5 receive a salary based on a nationwide pay scale for physicians.<sup>1</sup> For example, physicians with 3 years of residency can start at grade GS-13 while those with 4 years of residency can start at grade GS-14. In addition to the starting salaries, physicians are provided additional allowances based on a combination of their grade, specialty, duty location, duties performed, board certification, and the length of their contract with IHS. Depending on their specialty and grade, starting physicians may be entitled to higher allowances in the Aberdeen Area and in other hard-to-fill locations.

Members of the Commissioned Corps receive a salary based on a nationwide pay scale for officers in the uniformed service. Physicians can start at the grade of Lieutenant or O-3.<sup>2</sup> Numerous allowances or special pays are also available to physician Commissioned Corps members including

- quarters allowance with the amount depending on whether or not the member has dependents (this allowance is not taxable);
- subsistence allowance (not taxable);
- variable housing allowance (not taxable) depending on the member's grade, work location, and housing cost;
- special pay for signing a contract to remain on active duty for a specified term, usually 1 or more years;

---

<sup>1</sup>Physicians, nurses, physician assistants, and other health care professionals are paid from special rate salary schedules that provide higher salaries than the regular general schedule.

<sup>2</sup>Public Health Service Commissioned Corps officer ranks are similar to those in the Navy. A Commissioned Corps or Navy Lieutenant would be similar to a Captain in the Army, Air Force, or Marine Corps.

- special pay for experience based on the number of years the member served on active duty as a medical officer in one of the uniformed services and the years spent in medical internship or residency while not a member of the uniformed services;
- board certified pay based on service entry date and board certification;
- multiyear retention bonus if a contract for 2 to 4 years is signed, the physician is board certified or fully trained in a recognized specialty, and is in a grade of 0-6 (Captain) or below; and
- incentive special pay with the amount varying according to the physician's specialty and duty location.

Table 1.1 compares starting salaries, including allowances and bonuses, paid to selected physician specialties under Title 5 and the Commissioned Corps in Pine Ridge, South Dakota (which is classified by IHS as a hard-to-fill location) and Phoenix, Arizona, (which is not classified as a hard-to-fill site).

Table 1.1: Examples of Starting Pay for IHS Title 5 and Commissioned Corps Physicians

Specialty	Title 5 pay		Commissioned Corps pay	
	Pine Ridge	Phoenix	Pine Ridge	Phoenix
Family practice	\$72,696	\$70,695	\$75,239	\$62,239
Radiology	\$82,843	\$82,843	\$81,239	\$81,239
General practice	\$55,042	\$55,042	\$68,739	\$52,739
Internal medicine	\$72,696	\$70,695	\$74,239	\$63,239
Obstetrics/gynecology	\$82,843	\$82,843	\$82,239	\$82,239

Note: Compensation figures are estimates provided by IHS and include allowances and bonuses. Figures are for those who sign 2-year contracts with IHS. Figures for general practice assume 2 years of residency and no board certification; 3 years of residency is assumed for the family practice and internal medicine specialties, while 4 years of residency are assumed for the others. Specialists are assumed to be board certified. Physicians are assumed to have no dependents.

Compensation for physicians paid under Title 5, as shown in table 1.1, varies because of the grades of the physicians and the physician comparability allowances to which they are entitled. The lower pay for the general practice physician with 2 years of residency is due in part to the physician's lower grade, GS-12. By comparison, the family practice and internal medicine specialties are assumed to have 3 years of residency and are graded GS-13; the

other specialties are assumed to have 4 years of residency and are graded GS-14. Physician comparability allowances depend on a combination of factors, including specialty and work location. They are higher in the Aberdeen Area and in other hard-to-fill areas for family practice and internal medicine.

Basic salaries for the Commissioned Corps physicians shown in Table 1.1 are the same; all physicians would qualify for grade 0-3. Multiyear retention bonuses vary by specialty, while incentive special pays vary by specialty and work location. Incentive special pays are higher in the Aberdeen Area for many specialties than they are in other locations such as Phoenix. The general practice physician would receive no board certified pay because the physician is assumed not to be board certified. No variable housing allowances are included in the examples. The physicians may be eligible for this allowance, depending in part on the cost of their housing. We were told by an IHS official that Commissioned Corps members working at Aberdeen Area IHS hospitals and living in IHS housing would not likely receive the variable housing allowance.

#### NURSE COMPENSATION

Registered nurses paid under Title 5 receive a salary based on a nationwide pay schedule for nurses. Unlike physicians, they receive no allowances for duty station or specialty. IHS nurses with an associate's degree generally start at grade GS-4, those with a bachelor's degree start at GS-5 or GS-7, depending on their college grade point average (for example, a grade point average of 3.0 may qualify an applicant for a GS-7), and those with a master's degree usually start at GS-9.

Registered nurses who are members of the Commissioned Corps are also paid on the basis of a nationwide pay scale. Nurses with a bachelor's or master's degree start at the grade of Lieutenant Junior Grade or 0-2. Those with only an associate's degree do not qualify for the Commissioned Corps. In addition to their basic salaries, Commissioned Corps nurses receive a nontaxable quarters allowance, with the amount dependent on whether they have dependents, and a nontaxable subsistence allowance. Nurses may also qualify for a nontaxable variable housing allowance, depending on the actual cost of their housing and their work location. We were told by an IHS official that those living in low-cost housing, such as IHS housing in the Aberdeen Area, would not likely qualify for the variable housing allowance. Commissioned Corps nurses can receive a one-time \$5,000 bonus if they agree to work in IHS for at least 4 years.

The following table compares the basic pay received by nurses under the Title 5 and Commissioned Corps pay schedules. The examples

shown assume that the nurse has no dependents and include neither a variable housing allowance nor the one-time \$5,000 signing bonus.

Table 1.2: Examples of Starting Pay, Including Allowances, for IHS Title 5 and Commissioned Corps Registered Nurses

Education	Title 5 pay	Commissioned Corps pay
Associate's degree	(GS-4) \$23,491	Does not qualify
Bachelor's degree	(GS-5) \$29,949	\$28,314
	(GS-7) \$32,558	
Master's degree	(GS-9) \$37,049	\$28,314

RECRUITING AND RETENTION OF PHYSICIANS AND  
NURSES IN IHS' ABERDEEN AREA

The problems encountered by Aberdeen Area service unit staff in recruiting and retaining physicians are similar to those faced by administrators in other isolated rural areas. Poor housing; lack of amenities such as shopping, dining, and entertainment; little or no employment for spouses; and inadequate public education are major obstacles to the recruitment and retention of physicians. Exacerbating this situation are the cultural differences between physicians and Native Americans, tribal politics, and extremely long work hours caused by an inadequate number of physicians to handle the patient workload. These factors helped contribute to the Aberdeen Area's 25-percent vacancy rate for physicians as of April 1994--one of the highest of any IHS area.

USE OF RECRUITING AND RELOCATION  
BONUSES AND RETENTION ALLOWANCES

Between January 1993 and June 1994, 6 of IHS' 12 area offices used bonuses, allowances, or both to help recruit, relocate, or retain healthcare workers.<sup>1</sup> These offices awarded 22 recruiting bonuses (18 to physicians, 2 to nurse anesthetists, 1 to a pharmacist, and 1 to a psychologist) but no relocation bonuses. In addition, eight retention allowances were awarded to physicians. We were told by an Aberdeen Area official that the area did not award any of these bonuses or allowances during this period because it did not have sufficient funding in its budget to cover such an effort and because it found the justification and approval process excessively cumbersome.

Health care professionals and others who are paid under Title 5 are eligible to receive recruitment and relocation bonuses as well as retention allowances as authorized by the Federal Employees Pay Comparability Act. These bonuses and allowances can be up to 25 percent of an employee's basic salary. Recruitment and relocation bonuses are paid in a lump sum while retention allowances are added to employees' pay. There are no restrictions on the number of bonuses or allowances an employee can receive at any one time.

RECRUITING AND RETENTION  
OF PHYSICIANS

Incentives such as scholarships and loan repayment programs encourage physicians to work with IHS, but there is little to

---

<sup>1</sup>The six IHS area offices that utilized recruitment and relocation bonuses and retention allowances were Albuquerque, Bemidji, Billings, Navajo, Oklahoma, and Tucson.

encourage them to remain in the system after their obligations have been satisfied. We were told by an IHS official in the Aberdeen Area that 2 years is the usual timeframe that physicians stay, either because they have a mandatory obligation from a scholarship contract, have a 2-year loan repayment obligation, or sign a 2-year contract for bonus purposes.

Methods used to recruit physicians into the Aberdeen Area differed among the four service units we visited.

- Service unit staff in Eagle Butte told us that they do their own recruiting. Physicians maintain contacts with the medical schools from which they graduated and invite medical students to visit Eagle Butte. We were told that the hospital had just hired a physician who previously visited the hospital as a medical student and another physician has tentatively agreed to work at the hospital in the near future. A third physician recently transferred to the hospital from another IHS hospital. As of April 1994, the Eagle Butte service unit was authorized nine physician positions (six family practice, one general medical officer, and two internal medicine). At that time one vacancy existed for a family practice physician.
- The Clinical Director at Fort Yates is from Puerto Rico and recruited each of the physicians at the service unit from Puerto Rico. As of April 1994, the service unit was authorized four physician positions (all family practice) and one vacancy existed.
- The Pine Ridge Service Unit has had success recruiting participants from the Primary Care Resident Rotation Program operated by the University of South Dakota. Under this program, senior residents from medical schools at the University of Nebraska, University of North Dakota, University of South Dakota, and Creighton University are invited to spend 1 month working at the service unit. Of 12 residents who visited the service unit in 1992, 3 accepted positions at the unit after their residency.

Because of the success of the program in encouraging physicians to work at Pine Ridge, in January 1994 the Clinical Director at Eagle Butte contacted the program director at the University of South Dakota and expressed interest in having a similar program established at that service unit. The program director proposed to IHS that the program be expanded and according to an IHS official the expansion was approved in June 1994.

As of April 1994, Pine Ridge was authorized 16 physician positions (1 clinical director, 2 emergency medicine, 11 family practice, 1 obstetrics/gynecology, and 1 general surgery). Of

these positions 5 were vacant (a clinical director, 2 emergency medicine, 1 obstetrics/gynecology, and 1 general surgery).

- The Rosebud service unit has obtained most of its physicians through the efforts of the Aberdeen Area Office physician recruiter. As of April 1994, the service unit was authorized 11 physician positions (3 family practice, 3 general medical officers, 2 internal medicine, 1 obstetrics/gynecology, 1 pediatrics, and 1 general surgery). The pediatrician position was vacant.

The lack of housing for physicians was cited as a significant problem on three of the four reservations we visited.

- At Eagle Butte, the lack of housing was cited as the primary impediment to recruiting and retaining physicians. IHS housing is old and limited while other housing on the reservation for health care professionals is virtually nonexistent. Mobridge, with a population of 3,800, is 83 miles from Eagle Butte. Gettysburg, with 1,500 people, is 70 miles from Eagle Butte. The nearest city with a population over 10,000 is Pierre, about 90 miles away.
- IHS' Pine Ridge service unit has over 100 housing units for its hospital staff, including 45 recently constructed units next to its new hospital. In spite of the new units, IHS service unit officials told us that a housing shortage still exists and that the service unit cannot promise housing to any of the physicians it is recruiting. The town of Pine Ridge offers very few services or recreational activities. Minimal services and housing are available 21 miles away and off the reservation in Rushville, Nebraska, a town with a population of about 1,100. Hot Springs, South Dakota, and Chadron, Nebraska, towns of about 4,300 and 5,600 population, respectively, are about 1 hour away from Pine Ridge. Rapid City, South Dakota, with a population of about 54,500, is 109 miles away.
- IHS housing in Rosebud consists of 66 new housing units near the hospital and 33 older units. Homes adjacent to the hospital can be promised to physicians who are being recruited. We were told by IHS officials at the service unit that housing was not a significant problem at this service unit, compared with other service units.
- IHS housing is old and limited in Fort Yates, but many hospital staff live in and commute from Bismarck, North Dakota, a city of nearly 50,000 that is approximately 1 hour's drive from the reservation. We were told by IHS officials at the service unit that its proximity to Bismarck made employment at the hospital relatively attractive compared with service units in more

isolated locations. Fort Yates is in a relatively attractive setting in a wooded area on a lake, offering many recreational activities. Still, isolation, the lack of housing, and the absence of amenities in Fort Yates were cited as reasons for recruiting and retention difficulties.

Officials at two of the four service units we visited specifically told us that tribal politics were a problem in physician retention. Patients who have complaints about any aspect of their treatment freely complain to tribal council members who then complain to IHS. Service unit directors may be faced with tribal resolutions asking for their removal. For example, in February 1994 the service unit directors in Fort Yates and Eagle Butte switched jobs with one another because of tribal resolutions.

The most visible sign of recruitment and retention problems in the Aberdeen Area is the 25-percent vacancy rate for physicians as of April 1994. As shown in table 2.1, the vacancy rate for the Aberdeen Area is among the highest of any IHS area.

Table 2.1: IHS Physician Vacancy Rates, by Area, as of April 1994

IHS area	IHS physician positions	Current vacancies	Vacancy rate (percent)
Aberdeen	89	22	25
Alaska	77	7	9
Albuquerque	66	1	2
Bemidji	24	4	17
Billings	56	1	2
Nashville	10	3	30
Navajo	269	45	17
Oklahoma	129	21	16
Phoenix	132	8	6
Portland	36	4	11
Tucson	11	1	9
<b>Total</b>	<b>899</b>	<b>117</b>	<b>13</b>

Source: IHS Physician Vacancy Report, April 28, 1994.

IHS positions and vacancies do not include tribal positions and vacancies. IHS had no physician positions in its California Area; all positions were contracted to tribes.

In addition to adversely impacting the care provided by service units, high vacancy rates are costly. If care cannot be provided by IHS physicians, patients must be treated under contract in non-IHS facilities or by contract health care providers at the service units. Contract care is significantly more costly than that provided by IHS physicians.

#### RECRUITING AND RETENTION OF NURSES

IHS' Aberdeen Area Office has a full-time nurse recruiter who solicits and maintains applications for those interested in working in service units throughout the area. The area office also checks OPM's nationwide listing of applicants for nursing positions when vacancies arise. Directors of nursing at service units in the Aberdeen Area also recruit to fill their vacancies.

Officials in the Aberdeen Area Office and service units told us that recruiting registered nurses generally presents few problems. However, some positions requiring specialized experience can be hard to fill. For example, the area office recruiter told us that she is having particular difficulty filling five vacancies in the area at the GS-11 and GS-12 levels for nurses with diabetic experience, a nurse educator, a nurse with psychiatric experience, and a director of nursing. As of January 1994, the Aberdeen Area had 321 nursing positions and 29 vacancies for a vacancy rate of 9 percent.

Many nurses working at the service units we visited are from the vicinity of the towns in which their service units are located and many are Native Americans. They find the isolation and lack of amenities in their towns to be less troublesome than those who move into the area to accept nursing positions. Some have attended nursing school on reservations. For example, Presentation College has a nursing school in Eagle Butte and the Oglala Lakota College in Pine Ridge offers a nursing program.

Although recruiting nurses is generally not a problem, service units expressed dissatisfaction with the length of time it takes the Aberdeen Area Office to bring a nurse on board once a vacancy materializes. For example, we were told by officials at two of the service units we visited that it takes the area office up to 6 months to fill a vacancy. IHS has direct-hire authority for nurses and most other health care professionals--there is no need to have selections made through OPM. However, service units have not been delegated the direct-hire authority, in part, because service units

are relatively small and do not have the resources needed to perform all necessary staffing functions.

Because of the extreme isolation of the area in which the service units are located, it is hard to retain nurses who move into the areas to obtain jobs. Amenities such as shopping, dining, and recreation are lacking; there are no jobs for spouses; and housing on three of the four reservations we visited may not always be available for nurses. We were also told by officials at one service unit that tribal politics impacts morale and may adversely impact retention.

#### VA RECRUITING AND RETENTION

We compared IHS' recruiting and retention problems with those of VA's medical center in Hot Springs, South Dakota, and found similarities. Hot Springs, a town of about 4,300, is 64 miles northwest of Pine Ridge and 55 miles south of Rapid City. We were informed by VA officials at the medical center that it is considered isolated by VA standards.

Recruiting at the Hot Springs VA Medical Center is handled by the facility staff through announcements in publications, attendance at medical seminars, and visits to medical schools. The medical center has direct-hire authority and can hire health care professionals without the assistance of personnel in its central office in Washington, D.C.

According to medical center officials, the majority of the medical centers' recruiting and retention problems are due to its location in a relatively isolated area. Unlike other VA medical centers, the Hot Springs hospital is not associated with or near a medical school. Therefore, there is no professional camaraderie. Further, Hot Springs is a small town with limited services, limited activities for children, few jobs for spouses, and marginal housing.

However, staff at the medical center said that their recruiting and retention problems were minimal compared with those of IHS' Pine Ridge service unit, primarily because Pine Ridge's isolation and lack of services are more severe than those of Hot Springs. Officials at the medical center told us that as of February 1994, they had 3 physician vacancies and 3 nursing vacancies out of a total of 20.5 physician positions and 109 nursing positions, respectively.

COMPARISON OF PAY, BONUSES, AND BENEFITS  
MADE TO HEALTHCARE PROFESSIONALS EMPLOYED  
BY IHS AND VA

Health care professionals in IHS are either paid under Title 5, U.S. Code or as members of the Public Health Service's Commissioned Corps. Of the 877 physicians employed by IHS, 477 are employed under the Title 5 structure while 400 are members of the Commissioned Corps. Of IHS' 2,586 nurses, 2,111 are employed under the Title 5 structure while 475 are Commissioned Corps members. Compensation for VA's healthcare professionals is authorized by Title 38, U.S. Code. Basic pay for physicians under Title 38 is generally higher than pay authorized under Title 5 or paid to members of the Commissioned Corps. But physicians under all three pay systems receive special pay or allowances that vary according to specialty, duty location, and other factors. Benefits are generally more liberal under Title 38 and the Commissioned Corps than they are under Title 5.

TITLE 5 PAY, BONUSES, AND BENEFITS

As discussed in Section 1, salaries for health care professionals under Title 5 are based on nationwide pay schedules with pay being determined by education and experience. In addition, physicians receive a comparability allowance that is determined by specialty, work location, board certification, and length of contract. Nurses receive no such allowances. Benefits for all health care professionals (for example, physicians and nurses) under Title 5 include 13 days of annual leave a year to start, 13 days of sick leave, contributory health and life insurance, and retirement benefits under the Federal Employees Retirement System (FERS).<sup>1</sup> Overtime pay can also be earned.

COMMISSIONED CORPS PAY, BONUSES, AND BENEFITS

Salaries for members of the Commissioned Corps are based on nationwide pay scales. In addition, members receive nontaxable allowances for housing and subsistence. Physicians may also receive additional special pay with amounts dependent on their work location, specialty, board certification, and length of contract. Commissioned Corps members receive 30 days of annual leave a year, sick leave as needed, generally free medical care for themselves and dependents, and contributory life insurance. They also have the option of retiring after 20 years of service. Members have the

---

<sup>1</sup>Employees first hired after December 31, 1983, are automatically covered under FERS. Generally, employees hired before 1984 are covered under the Civil Service Retirement System unless they have elected to transfer their coverage to FERS.

use of commissary and base exchange facilities and can travel on military aircraft if space is available. They are also subject to reassignment from one location to another at the discretion of IHS. Commissioned Corps members do not earn overtime pay.

#### TITLE 38 PAY, BONUSES, AND BENEFITS

VA physician salaries under Title 38 are based on nationwide pay schedules. These physicians can also receive special pay depending on their board certification, duty location, specialty, and work schedule. VA physicians do not receive overtime pay regardless of the number of hours worked, but can earn 30 days of annual leave and 15 days of sick leave per year. Nursing salaries under Title 38 are set locally and are based on prevailing rates in the vicinity of the VA facility. Nurses earn 26 days of annual leave a year and 13 days of sick leave. Both physicians and nurses in VA receive contributory health and life insurance and retirement benefits under either the Civil Service Retirement System or FERS.

#### DELEGATION OF TITLE 38 TO DEPARTMENTS OTHER THAN VA

In August 1993, OPM issued the results of its study on federal compensation paid to medical professionals. OPM found that Title 38 offers greater flexibility in pay setting than Title 5, and Title 38 better addresses the unique needs of health care occupations than Title 5. The study also found that the Title 38 classification system is designed for health care occupations, whereas Title 5 is oriented toward program administration. The study concluded that Title 38 pay provisions should be applied to the major federal employers of health care professionals.

In December 1993, OPM notified the Departments of Defense, Justice, and HHS of its intent to delegate those portions of Title 38 related to pay rates and systems, premium pay, classification, and hours of work to those agencies. In March 1994, an interagency committee consisting of representatives of OPM, VA, HHS, Justice, and Defense was formed to determine how the provisions of Title 38 will be implemented. Delegation agreements specify that each agency will participate and cooperate in the activities of the committee and that consensus must be reached before implementing specific provisions of the delegation. We were told by an OPM official that the committee will review the structure of Title 38 and how it is working within VA before drafting implementation plans.

COMPARISON OF PROVISIONS IN  
TITLE 38 AND TITLE 5 THAT  
IMPACT RECRUITMENT AND RETENTION

In January 1992, IHS formed the Quality Management Recruitment and Retention of Healthcare Professionals Workgroup to review, among other things, IHS' recruiting and retention problems. During this effort the workgroup compared various components of Title 5 and Title 38 and recommended that caution be taken before implementing the provisions of Title 38 (examples of some of the recommendations of this workgroup are cited in Section 4, p. 25). According to the workgroup, Title 38's complex special pays for physicians may cause confusion for candidates, and pay in rural areas may be lower for some professionals under Title 38. Finally, the workgroup identified five specific issues that need to be addressed before a decision is made to implement Title 38:

- The costs of implementing Title 38. For example, if Title 38 results in higher salaries, will budgetary restrictions occur that, in turn, will result in staffing cuts?
- Can IHS use both Title 5 and Title 38? For example, can IHS healthcare professionals be paid under Title 5 at some locations and Title 38 at others?
- Will members of the Commissioned Corps be allowed to switch to Title 38?
- How will local pay rates be set? For example, nursing pay under Title 38 is set locally after market surveys are conducted. Who will conduct the surveys and how will they be conducted?
- How will Indian Preference fit under Title 38? Currently, IHS must give preference to Native Americans in the hiring process. Would this still be a requirement, or even allowed, under Title 38?

In comparing the two pay systems, the workgroup noted that Title 38 uses local peer review boards, rather than agency personnel offices, to evaluate the qualifications of candidates; Title 38 pays individuals on their relative skills and knowledge, thus allowing VA greater opportunity to compete in shortage categories by paying a higher salary than would otherwise be possible; and Title 38 allows local managers greater control over personnel decisions. These differences could provide managers with better matches of candidates to job requirements and could allow them to better compete with other employers for candidates. The workgroup also noted that Title 38 increases the amount of annual leave and eliminates overtime pay for physicians. This difference may have a detrimental impact on physicians who work considerable overtime.

Concerns about Title 38 were expressed by IHS headquarters and service unit staff. For example, IHS' starting salaries for some nurses are higher than those of the VA in Hot Springs. Concern was expressed that IHS may be required to lower its pay for nurses in certain locations under the provisions of Title 38. Also, some IHS physicians paid under Title 5 who work considerable overtime may receive more pay than those working for VA because VA physicians paid under Title 38 are not compensated for overtime.

COMPARISON OF IHS AND VA  
COMPENSATION WITH HEALTHCARE  
PROFESSIONALS IN THE  
ABERDEEN AREA

Basic pay is only one part of the compensation packages offered physicians in the IHS and VA. Bonuses and allowances can be paid for board certification, type of specialty, and work location. These bonuses depend on a variety of factors, such as the scarcity of the physician's specialty and the difficulty of recruiting physicians in specific locations.

The following table shows examples of starting annual pay, including allowances and bonuses, for various physician specialties under VA's Title 38 and IHS' Title 5 and for IHS' Commissioned Corps members who work in the Aberdeen Area.

Table 3.1: Examples of Starting Pay for Physicians in the Aberdeen Area Under the Provisions of Title 38 and Title 5 and the Commissioned Corps

Specialty	Total pay		
	Title 38	Title 5	Commissioned Corps
Family practice	\$99,589	\$72,696	\$75,239
Radiology	\$122,589	\$82,843	\$81,239
General practice	\$72,293	\$55,042	\$68,739
Internal medicine	\$89,589	\$72,696	\$74,239

Note: Compensation figures are estimates provided by VA and IHS and include allowances and bonuses. Figures are for full-time physicians who sign 2-year contracts. Figures for general practice assume 2 years of residency and no board certification; 3 years of residency is assumed for the family practice and internal medicine specialties, while 4 years of residency is assumed for the

radiologist. Specialists are assumed to be board certified. Physicians are assumed to have no dependents.

Starting salaries for physician assistants are also generally higher in IHS than in VA. In fact, we were informed by VA officials in Hot Springs that its starting salaries for physician assistants are not competitive with those in the private sector. As a result, VA has difficulty hiring individuals in this medical specialty at the entry level. IHS has difficulty filling its physician assistant vacancies for the same reason. Starting salaries shown in table 3.2 are in ranges and depend on qualifications of the applicant.

Table 3.2: Starting Pay Ranges for Physician Assistants in IHS and VA

	Pay range
Bachelor's degree	
IHS (GS-7)	\$28,016 to \$34,829
VA	\$24,653 to \$32,048
Master's degree	
IHS (GS-9)	\$33,345 to \$41,679
VA	\$28,648 to \$37,239

An official of a university in the Aberdeen Area told us that graduates from the physician assistant program at that university were obtaining average starting salaries of \$45,000 a year. The 1-year program requires students to have at least a 2-year nursing degree and 2 years of nursing experience. The official told us that graduates have little difficulty finding jobs.

IHS officials that we visited in the Aberdeen Area said that nursing salaries under Title 5 are competitive with those paid in the private sector. Conversely, VA officials in Hot Springs told us that they have difficulty at times competing with IHS for nursing staff because VA's salaries for nurses are lower than those in IHS. As shown in table 3.3, starting salaries in IHS for nurses with bachelor's and master's degrees are higher than those offered by VA's Hot Springs facility.

Table 3.3: Starting Salaries for Registered Nurses With No Experience, by Educational Background, for IHS and VA's Hot Springs, South Dakota, Hospital

Education	IHS	VA, Hot Springs
Associate's degree	(GS-4) \$23,491	\$25,648
Bachelor's degree	(GS-5) \$29,949 (GS-7) \$32,558	\$27,186
Master's degree	(GS-9) \$37,049	\$31,031

EFFORTS TO ENHANCE  
RECRUITING AND RETENTION OF HEALTHCARE  
PROFESSIONALS AT IHS FACILITIES

Several studies and proposals have been made to address IHS' difficulty in recruiting and retaining health care professionals. In February 1987, OTA issued its report, Clinical Staffing in the Indian Health Service.<sup>1</sup> OTA's study was conducted in response to the virtual elimination of physicians available to IHS from the National Health Service Corps' scholarship program (see p. 28 for further details). OTA listed several options for congressional consideration, including increasing physician salaries in hard-to-fill locations; reestablishing the National Health Service Corps scholarship program as a source of physicians for IHS; and authorizing the reassignment of Commissioned Corps officers from other Public Health Service agencies to IHS. IHS officials told us that some of the options in the report had been addressed. For example, physicians now receive larger allowances in hard-to-fill locations, and the National Health Service Corps scholarship program was reestablished in 1990. However, the recommendation to reassign officers from other Public Health Service agencies to IHS has not been acted on because no other Public Health Service agency has any medical staff to spare.

In 1990, the Aberdeen Area Tribal Chairmen's Health Board formulated a proposal designed to help overcome physicians' concerns about the extreme isolation and lack of services in the areas in which IHS facilities are located. The proposal called for the creation of pods of four to eight physicians, living in major urban areas such as Bismarck and Grand Forks, North Dakota, and Rapid City and Sioux Falls, South Dakota, who would visit the reservations under an established rotating schedule. The physicians would work at their assigned hospitals or clinics for up to 14 days and then spend up to 10 days at their home. According to the Aberdeen Area Tribal Chairmen's Health Board, the proposal was discussed in 1992 with Aberdeen Area Office staff and in 1993 at a recruitment and retention workgroup meeting. However, area office and workgroup officials that we contacted did not specifically recall seeing the proposal, nor were they aware of any evaluation of the proposal by IHS or action taken by IHS as a result of the proposal. Similarly, officials in IHS' headquarters were unaware of the proposal.

IHS' Quality Management Recruitment and Retention of Health Care Professionals Workgroup was established in January 1992 to

---

<sup>1</sup>Although the OTA report was 7 years old at the time of our review, many of its findings and recommendations were still relevant.

"develop and act on both short and long range strategies for meeting the agency needs for recruitment and retention of health professions."

The group's final report is anticipated by September 1994, but an interim report was issued in March 1993. That report addressed the need to pay competitive salaries to health care professionals; recognized the need to increase funding for IHS' loan repayment program; recommended a thorough study of Title 38 implementation options; and suggested the production of community awareness, cultural sensitivity, and federal employment videos. In April 1994, we were informed by an official associated with the workgroup that it was still evaluating its interim findings and recommendations.

IHS has a number of initiatives underway that are designed to help recruit and retain health care professionals:

- INMED was established in 1973 at the University of North Dakota, which is within IHS' Aberdeen Area. Its objectives are to provide academic, financial, and personal support for Native American college and professional students preparing for health careers. Among INMED's goals are increasing the number of Native American health professionals and increasing the number of health professionals serving Native American communities. Since its inception, INMED has assisted 148 Native American health professionals, including 86 physicians and 62 nurses and other health professionals. Of the 86 physicians, 65 have completed residency and 34 of the 65 have worked with Native Americans. Of the 62 INMED participants in other fields, 56 have worked with Native Americans and 54 are still doing so.

In 1992, after receiving proposals from the Universities of Washington, Arizona, and Minnesota-Duluth, IHS selected Minnesota-Duluth as a second INMED site. The University of South Dakota has a cooperative agreement with the University of North Dakota's INMED program wherein students receive a part of their education at each school.

- The Indian Health Professions Scholarship Grant Program awards scholarships to Native American students who are working toward degrees in health areas. The program was funded at about \$7.8 million for fiscal year 1994. Scholarship priority is given to students who are attending medical schools. In fact, we were informed by an IHS official that virtually all eligible Native American medical school students who apply for these scholarships are funded.

Students who receive Indian Health Professions Scholarships agree to work for IHS for 2 to 4 years after they graduate,

depending on the duration of their scholarships. About 150 scholarship recipients, of which about 8 percent are physicians, graduate from colleges and universities annually. In 1993, 13 physicians who were scholarship recipients joined IHS. We were informed by an IHS official associated with the scholarship program that data are not readily available showing the locations to which scholarship recipients are assigned.

- IHS supports medical students at the Uniformed Services University of the Health Sciences. The university was established in 1972 by the Department of Defense to train students for careers as medical officers in the Army, Navy, Air Force, and the Commissioned Corps of the Public Health Service. Medical students incur obligations of 7 to 10 years active duty after graduation. Nearly 2,000 medical students have graduated from the university since its first graduating class in 1980. Historically, IHS has supported about three students per class. In 1992 IHS increased the number to four per class. The three students per class group has a 7-year service obligation; those in the 4 per class group have a 10-year obligation. In June 1994, three physicians with service obligations from the university were working for IHS in the Aberdeen Area.
- Depending on the availability of funds, IHS will pay for school loans for health care professionals agreeing to work for IHS. Up to \$30,000 a year can be paid towards such loans, along with an allowance to pay the income tax on the benefit. By law, at least 25 percent of funding must be provided to nurses and at least 10 percent to mental health professionals. In fiscal year 1993, about \$10.7 million was provided to 234 physicians, nurses, and other health care professionals, while another 311 persons applied but did not receive funds. Of this amount, about \$4.7 million was provided to 74 physicians; another 81 applied for but did not receive funding. About \$2.5 million was provided to 88 nurses; another 72 applied for but did not receive funding.

From fiscal years 1988 through 1993, 840 loan repayment awards were made. As shown in table 4.1, 11 percent of these awards were to health care professionals working in the IHS Aberdeen Area.

Table 4.1: IHS Loan Program Awards, Fiscal Years 1988-93

Type of profession	Total awards	Total awards for Aberdeen Area	Percent of awards for Aberdeen Area
Physician	314	15	5
Nurse	318	32	10
Dentist	76	15	20
Other professionals	132	31	23
<b>Total</b>	<b>840</b>	<b>93</b>	<b>11</b>

Other programs have been available in the past to assist IHS in recruiting health care professionals:

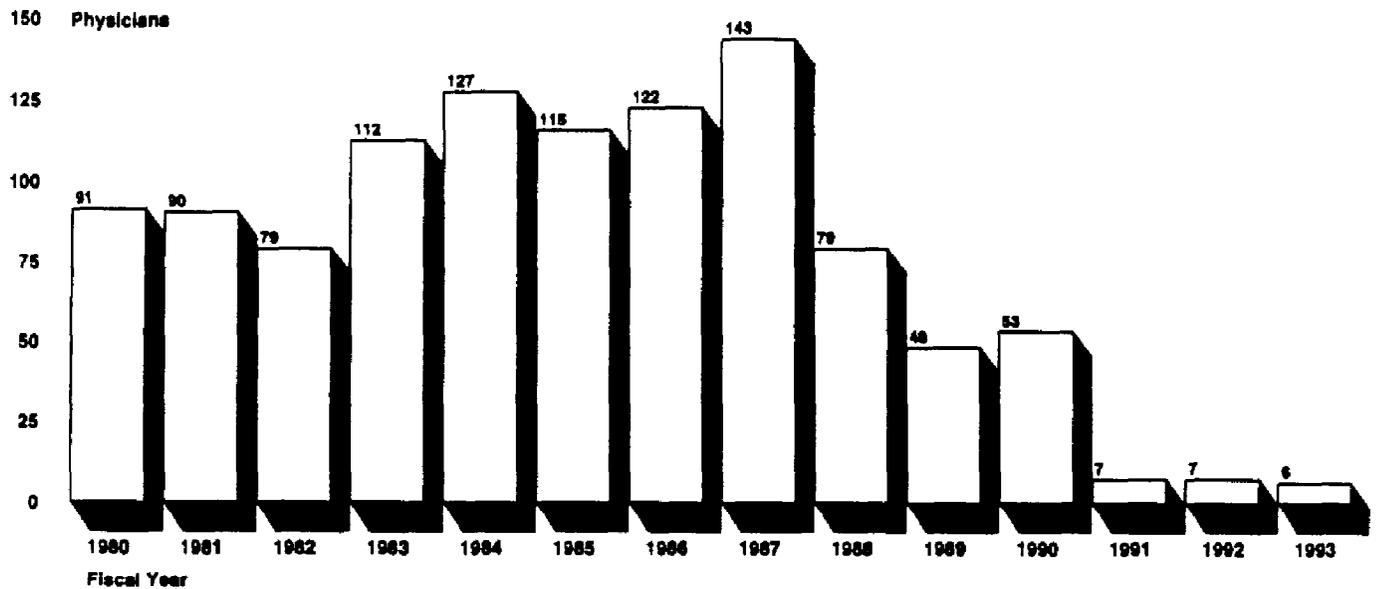
-- IHS operated a physician assistant school in Phoenix, Arizona, from 1971 to 1977 and a school in Gallup, New Mexico, from 1971 to 1983. The training schools for Native Americans were operated in order to encourage Native Americans to enter the health care area and work for IHS. In exchange for their training, graduates of the schools agreed to work for IHS. An IHS official who had been program director at the Gallup school told us that the school trained about 100 physician assistants during its 12 years of operation. The schools were closed because of budget cuts.

Physician assistants can provide limited medical care and supplement physician care in areas that are unable to recruit or retain adequate numbers of physicians.

-- The National Health Service Corps scholarship program, operated by HHS, has provided tuition assistance to medical students and others studying health professions. Recipients are legally obligated to work in an underserved area for 1 year for each year of tuition support, with a minimum 2-year obligation. Scholarship recipients have been placed in IHS, community and migrant health centers, the Bureau of Prisons, and elsewhere. Program funding declined from its peak in 1980 to virtually nothing in 1989. Accordingly, obligated physicians available to work in IHS have decreased since 1987, as shown in figure 4.1. It typically takes a physician about 7 years to complete medical school and residency, so there is about a 7-year lag between initial scholarship funding and availability for work. Funding was reestablished in 1990 but students entering medical school in 1990 may not be available for work for about 7 years. A National Health Service Corps official told us that the number

of physicians who will eventually be assigned to IHS is unknown. Unlike the Indian Health Professions Scholarship Grant Program, the National Health Service Corps scholarship program was not limited to Native Americans.

Figure 4.1: Physician Recipients of National Health Service Corps Scholarships Assigned to IHS Facilities, Fiscal Years 1980-93



SECTION 4

SECTION 4

During our review, we also solicited the opinions of tribal directors at three of the four service units we visited. Their suggestions for easing the recruiting and retention problems in the Aberdeen Area included

- increasing salaries for physicians;
- establishing a large IHS hospital in a major metropolitan area to serve Native Americans who must now be treated under contract with non-IHS providers;
- increasing loan repayment and scholarship programs;
- giving physicians more time off to be with their families rather than expecting them to work over 60 hours a week;
- involving health professionals in cultural activities;
- providing better housing; and
- providing land to those wishing to build homes.

SCOPE AND METHODOLOGY

Information on IHS salaries and compensation was obtained from IHS' headquarters and its Aberdeen Area Office. IHS physician staffing and vacancy statistics, both nationwide and for Aberdeen Area hospitals, were obtained from the IHS Physician Vacancy Report as of April 28, 1994. We obtained VA salary and compensation information from VA's headquarters and from its Medical Center in Hot Springs, South Dakota. We also obtained information from OPM on plans to delegate VA's pay-setting authorities to other agencies.

We discussed recruiting and retention problems with

- IHS' headquarters and Aberdeen Area Office staff;
- service unit directors, clinical directors, and directors of nursing at the Cheyenne River Service Unit in Eagle Butte, South Dakota; the Pine Ridge Service Unit in Pine Ridge, South Dakota; the Rosebud Service Unit in Rosebud, South Dakota; and the Standing Rock Service Unit in Fort Yates, North Dakota; and
- the Aberdeen Area Tribal Chairmen's Health Board.

We compared IHS' recruiting and retention problems with those of VA's Medical Center in Hot Springs; this center is relatively close to Pine Ridge and is considered remote by VA standards.

We obtained information on recruiting and retention initiatives from IHS' headquarters, area office, and service unit staff. We also met with a representative of the University of South Dakota's School of Medicine in Rapid City. We contacted officials at the University of North Dakota in Grand Forks to obtain information about the INMED program and starting salaries for physician assistants. We discussed possible solutions to recruiting and retention problems with tribal health directors at three of the four service units we visited.

We performed our work between January and May 1994 in accordance with generally accepted government auditing standards.

(101445)