

**TEMPORARY INCREASE IN ANNUAL PAY LIMITATION FOR
CERTAIN FEE BASIS PROVIDERS**

- 1. REASON FOR ISSUE:** To issue temporary Department of Veterans Affairs (VA) policy regarding the annual pay limitation for fee basis providers in the Veterans Health Administration (VHA).
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive temporarily increases the annual pay limitation for VHA fee basis providers through the end of calendar year 2021 in support of the Secretary's priorities to improve timeliness of services, including access to care and wait times; decisions on appeals, and performance on disability claims; and suicide prevention. These changes will NOT be incorporated into the permanent pay administration procedures contained in VA Handbook 5007.
- 3. RESPONSIBLE OFFICE:** Compensation and Classification Service (055), Office of the Chief Human Capital Officer.
- 4. RELATED HANDBOOK:** VA Handbook 5007, Part II, Appendix F.
- 5. RESCISSION DATE:** This directive is rescinded January 1, 2022.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY OF
VETERANS AFFAIRS:**

/s/
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Assistant Secretary for
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/s/
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TEMPORARY INCREASE IN ANNUAL PAY LIMITATION FOR FEE BASIS PROVIDERS

- 1. PURPOSE.** This directive temporarily increases the annual pay limitation for fee basis providers in the Veterans Health Administration (VHA) in support of the Secretary's priorities to improve timeliness of services, including access to care and wait times; decisions on appeals, and performance on disability claims; and suicide prevention.
- 2. POLICY.**
 - a. Effective immediately, facility directors may approve exceptions to allow health care providers performing work on a fee-for-service basis to receive total compensation in a calendar year up to the temporary annual pay limitations listed below. This is a temporary increase from the existing executive schedule, Level V (EX-V) limitation (\$160,100 in 2020) prescribed in VA Handbook 5007, Part II, Appendix F, paragraph 4c.
 - b. Temporary annual pay limitations are as follows:
 - (1) Physicians, Dentists, and Podiatrists: \$300,000
 - (2) Certified Registered Nurse Anesthetists: \$253,300
 - (3) All other title 38 and title 5 health care providers: \$219,200 (EX-I in 2020)
 - c. Fees must still be established and documented in accordance with paragraph 3b of VA Handbook 5007, Part II, Appendix F. Specifically:
 - (1) Employees appointed on a fee basis are to be compensated by the task or service (i.e., by piecework) and are not to be paid on a time basis;
 - (2) Fees shall be based on fees for similar services in the community; and
 - (3) Facilities must document and maintain all information used to establish payment rates.
 - d. Other flexibilities such as appointments above the minimum rate of the grade; recruitment, relocation or retention incentives; alternate work schedules; and, adjustable work hours for part-time physicians, should be considered in an effort to appoint providers on a full-time, part-time or intermittent basis rather than regularly utilize a fee basis appointment.
- 3. RESPONSIBILITIES.**
 - a. Human Resources Management (HRM) Officers, or designees, will monitor fee basis salary limitations, provide technical advice, guidance, and assistance to local officials regarding salary limitations, and will maintain necessary records and documentation regarding fee payments.

- b. HRM officials will be responsible for notifying key management officials (i.e. service chiefs, Chief of Staff, Medical Center Director) when a fee-basis employee is nearing the pay limitation.
- c. Service chiefs, Chiefs of Staff, and Medical Center Directors will be responsible for ensuring fee-basis employees are not scheduled to work when the gross year to date pay limitation has been met.
- d. In no case may the total of fee payments exceed the temporary limitations set forth in paragraph 2 above. This includes compensation from multiple fee basis appointments.
- e. For physicians, dentists, and podiatrists, total compensation earned under dual appointments such as a full time, part time or intermittent appointment, and a fee basis appointment(s) at another facility must not exceed the aggregate pay limitation (the rate for the President of the United States \$400,000). For example, a full-time physician earning aggregate compensation of \$250,000 a year could only earn up to \$150,000 under a fee basis appointment.