

**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.
- 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 2019 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:** The Compensation and Classification Service (055), Office of the Deputy Assistant Secretary for Human Resources Management.
- 4. RELATED HANDBOOK:** None.
- 5. RESCISSION DATE:** This directive is rescinded January 1, 2020.

CERTIFIED BY:

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

/s/
Melissa S. Glynn, Ph.D.
Assistant Secretary
for Enterprise Integration

/s/
Peter J. Shelby
Assistant Secretary for
Human Resources and Administration

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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 level (EL-V) limitation (\$153,800 in 2018) prescribed in VA Handbook 5007, Part II, Appendix F, paragraph 4c.
- b. Temporary annual pay limitations are as follows:
 - (1) Physicians and Dentists: \$300,000;
 - (2) Certified Registered Nurse Anesthetists: \$230,700; and
 - (3) All other title 38 and title 5 health care providers: \$210,700 (EL-I in 2018)
- 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 and dentists, 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 is \$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.