NIH Policy Manual

2300-595-1 - Physicians' Comparability Allowance

Issuing Office: OD/OM/OHR/CSSED **Phone:** (301) 496-0377

Approving Official(s): OHR Director

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Transmittal Notice

1. **Explanation of Material Transmitted:** This NIH Policy Manual outlines the NIH policy and procedures for using Physicians' Comparability Allowance (PCA). This manual has been reorganized to simplify it and make it more user friendly. The scope, responsibilities, and procedures have been updated to reflect NIH Policy Manual's required elements and formatting.
2. **Filing Instructions:**

Remove: Manual Issuance 2300-595-1, dated 04/22/2014.
Insert: Manual Issuance 2300-595-1, dated 12/06/2022.

PLEASE NOTE: For information on:

- Content of this chapter, contact the issuing office listed above.
- NIH Policy Manual, contact the Division of Management Support, OMA on 301-496-4606, or enter this URL: https://oma.od.nih.gov/DMS/Pages/ManualChapters.aspx.

A. Purpose

The purpose of this Policy Manual is to provide policy and guidance regarding the authorized payment of Physicians' Comparability Allowance (PCA) to eligible NIH physicians.

B. Scope

Eligibility:

To be eligible for PCA, the *position* must:

a. Be classified in the Physician, GS-0602 occupational series (**cannot be classified as interdisciplinary**); and
b. Be filled under one of the appointment/pay authorities specified in Department of Health and Human Services (HHS) Instruction 595-1, Exhibit B; and

c. Be designated under one of the following NIH-approved categories that have documented recruitment and retention challenges:

1. **Category II-A, Research** classified positions meeting the following description, to include all NIH physicians who perform the following types of research:

    - Medical research requiring the supervision or conduct of experimental work in the causes, prevention, control or treatment of diseases, or other factors that influence health and disease; or limitations imposed by conditions other than disease including environmental factors. Such research includes clinical application as well as basic research required prior to such clinical applications.
    - All physician positions which primarily involve the performance of extramural and collaborative research. Extramural and collaborative research involves the planning of clinical and biomedical research programs conducted by employees of grantee or contract organizations. The physician represents the Government's interest by monitoring and evaluating the progress of research, identifying problems or deviations from agreed-upon scientific protocols, and assuring adequate and appropriate performance. The physician also performs scientific and medical review of grant and contract proposals to determine those most promising and deserving of monetary support.

2. **Category IV-B, Administration of Health and Medical Programs:** Positions meeting this description include all physicians in theSenior Executive Service (SES) responsible for administering and directing NIH's intramural and extramural research programs. To be eligible for PCA, a *physician* must:

    - Be serving under a permanent appointment or a temporary appointment of at least one year’s duration; and
    - Be employed on a full-time basis or a part-time work schedule of at least 40 hours per pay period.

d. **Exclusions:**

a. *Positions* not eligible for coverage include:

1. Positions which do not require the services of physicians who fully meet the U.S. Office of Personnel Management (OPM) qualification standards for Physician, GS-0602;
2. Positions classified as interdisciplinary;
3. Resident or intern positions; and
4. Positions established under any appointment/pay authority identified in Exhibit C of the HHS Instruction 595-1.

b. *Individuals* not eligible for coverage include:

1. Physicians in the Executive Schedule (pay plan EX);
2. Reemployed annuitants;
3. Employees fulfilling scholarship obligations (a defined period of paid service a physician must satisfy to repay an academic scholarship under a specified government program such as the National Health Services Corps Scholarship Program);
4. Members of the Commissioned Corps of the U.S. Public Health Service;
5. Employees receiving Physician and Dentist Pay under Title 38, U. S. Code;
6. Physicians serving under a Title 42 U.S. Code appointment authority;
7. Physician members of the Senior Biomedical Research and Biomedical Product Assessment Service.

C. Background

NIH is authorized to use PCA to attract and retain physicians in order to alleviate recruitment and retention problems that result from pay disparities with the private sector. This Manual Chapter provides NIH policy information and should be used in conjunction with the Department of Health and Human Services (HHS) Instruction 595-1, Physicians' Comparability Allowance.

D. Policy

1. **Coverage:**

   Unless the position or individual is excluded from PCA coverage by section B. 2., physicians **must be offered an opportunity to elect PCA** upon initial appointment, upon expiration of their service agreement, and if reassigned to another PCA-eligible position. Physicians may elect not to receive PCA. NIH must document declinations of PCA in writing using the PCA Declination Form. If an employee declines PCA upon initial appointment or after the expiration of their service agreement, but requests it at a later date and remains in a PCA eligible position, management must offer the allowance. However, once management has offered PCA and an employee declines it, management **does not** have to initiate offering PCA again unless the employee is reassigned to another position that is PCA eligible.

   PCA may not be withheld from a physician for reasons of performance, misconduct, or other reasons unrelated to the position. Other personnel actions (e.g., performance-based or conduct-based actions) should be used to address these issues.

   However, this does not preclude the use of exemplary performance as a factor in awarding mission-specific pay.

2. **Employee Service Agreements:**

Service agreements between one and four years are required for physicians who receive PCA.

A service agreement will become effective on the first day of the first pay period following approval unless another future date is specified in the agreement. All agreements shall be made effective on the first day of a pay period unless the employee enters on duty other than the first day of the pay period. In such cases the agreement may be made effective on the Entry on Duty (EOD) date.

3. **Payment Amounts:**

The combination of fixed and variable amounts may result in different total PCA payment amounts for individual physicians. In keeping with the intent of the statute, as articulated in 5 U.S.C. § 5948 and 5 CFR § 595.101, managers are reminded to authorize only the minimum amount necessary to recruit and retain qualified physicians. The maximum PCA amounts established in the HHS Instruction 595-1 are just that – maximums – and should not automatically be approved for payment. When the PCA agreement is renegotiated, it may be reduced if the original amount is no longer essential to retain the employee. Total PCA **shall not** exceed the statutory maximum of $30,000 for physicians with at least 24 months of service; or $14,000 for physicians with less than 24 months of service.

Physicians participating in the Student Loan Repayment Program shall have the authorized PCA amount reduced by the amount of the loan repayment. PCAs are subject to the aggregate limitation on pay under 5 U.S.C. § 5307 and 5 CFR part 530. PCA amounts that, when combined with base pay and other discretionary pay, would result in payment in excess of the aggregate annual calendar year limit (EX-I), are to be reduced to the annual calendar year limit and the excess amount shall be deferred for lump-sum payment at the beginning of the next calendar year. The HHS Human Resources (HR) and Payroll Systems are responsible for rolling over lump sum payments in excess of the aggregate annual calendar year limit. PCA *is* considered basic pay for retirement purposes, including participation in the Thrift Savings Plan, subject to the limitations in Public Law 106-57 1. It *is not* considered basic pay for purposes of premium pay, payment for accumulated and accrued leave, severance pay, compensation for work injuries, or life insurance.

4. **Types of PCA Allowances:**

   a. **Fixed PCA Allowances**
   PCA fixed payment amounts have established values that **may not be altered during negotiations**. There are two fixed amounts that must be offered when the following conditions are met:

      1. ***Board Certification****:* $3000 **must be offered** when board certification is required as a selective factor in filling the position at the GS-13 to GS-15/SES (*this allowance is not available for the GS-11 and GS-12*

grades).

2. ***Multi-year Service Agreements***: Service agreements of at least one and not more than four years are required for PCA recipients. If the physician signs a service agreement of two years or more, they **must be offered** the amounts shown below.

Multi-Year Service Agreement

Multi-Year Service Agreement	GS-11	GS-12	GS-13	GS-14	GS-15/SE
2 yr contract	$2000	$2000	$4000	$4000	$4000
3 yr contract	$2000	$2000	$5000	$5000	$5000
4 yr contract	$2000	$2000	$6000	$6000	$6000

b. **Variable PCA Allowances**

Institutes or Centers (ICs) should determine the variable allowances based on the minimum amount required to prevent recruitment and retention problems. Variable payments include two types: Categorical and Mission Specific Factors

1. ***Categorical Variable*** payments are based on length of service and defined categories. **ICs must offer at least the minimum amount listed in the following table** ($3,000, $4,000 or 5,000 depending on grade level.)

Categorical Variable for physicians with *24 months or less* of Federal Government service

Category	GS-11		GS-12		GS-13		GS-14		GS-15/SE	
II-A Research	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
		$2000		$3000	$3000	$5000	$4000	$6000	$5000	$80
IV-B Administration of Health and Medical Programs	Not Allowed		Not Allowed		$3000	$8000	$4000	$9000	$5000	$10 0

Categorical Variable for physicians with *more than 24 months* of Federal Government service

Category	GS-11		GS-12		GS-13		GS-14		GS-15/SE	
II-A Research	Min	Max	Min	Max	Min	Max	Min	Max	Min	Ma

		$3000		$4000	$3000	$6000	$4000	$12,000	$5000	$160
IV-B Administration of Health and Medical Programs	Not Allowed		Not Allowed		$3000	$8000	$4000	$12,000	$5000	$160

2. ***Mission-Specific Factors:*** There are two types of Mission-Specific Factors: *Length of Government Service and Unusual Circumstances*.
3. These are structured to alleviate severe retention challenges and to enable the NIH to target additional payments to address mission critical program needs. These allowances are used to retain expertise in areas such as scientific research, science administration, or public health administration. Illustrative examples may include the prevention and alleviation of illness, disease, and the most intractable threats to the nation's health; and assuring the health care security and improving health outcomes for the nation's beneficiaries. For both factors, ICs may target funds to positions determined to be most essential or urgent to these needs.

    - ***Requirements for offering Mission-Specific Factor Allowances:***

        - A physician may not receive a Length of Federal Government Service allowance concurrently with an Unusual Circumstances allowance.
        - The documentation showing a physician should receive **either** of these allowances must identify how the work of the position directly contributes to the NIH mission in one of the following manners:

            i. a legislative mandate
            ii. work which is directly related to a mission specific goal, and/or
            iii. public health initiatives which are highly visible or controversial.

            Note: When justifying an *Unusual Circumstance* case, additional criteria must be met and justified (explained below).
        - To receive either type of mission specific factor allowance, a physician must sign at least a two-year service agreement.

    - ***Mission-Specific Factor (Length of Federal Government Service)*** payments are based on length of service as a federal government physician (see 5 USC 5948 for the definition of "Government physician").

Mission-Specific Factors (Length of Federal Government Service)

Grade	2-5 years	5-8 years	More than 8 y
GS-13	Up to $1000	Up to $3000	Up to $5000
GS-14	Up to $2000	Up to $5000	Up to $8000
GS-15/SES	Up to $4000	Up to $7000	Up to $10,000

- ***Mission-Specific Factor (Unusual Circumstances)*** is a mechanism that allows for a maximum of 10,000 dollars if the physician meets specific criteria shown below. A physician does not need to have previous federal government service to qualify for this factor.
  Up to $5000 may be authorized for a physician who meets one of the following criteria; and up to $10,000 may be authorized for a physician who meets more than one of the following criteria:

  - Work that has materially and measurably improved the health outcomes of the target population;
  - Work that has substantially improved policy development or made a significant scientific or regulatory advancement;
  - Achieving substantial, documented efficiencies in the design or implementation of projects to maximize health care quality and better see beneficiary needs;
  - Exemplary performance in the approved mission-specific areas, as evidenced by two or more consecutive years of "outstanding" performance ratings or equivalent evidence of exceptional performance.

  This allowance must be approved by the NIH Director on a case-by-case basis, and the total number of such exceptions shall not exceed 15 percent of all NIH physicians receiving PCA. Requests should be submitted to the Director, NIH through the Compensation and Policy Division (CPD), Office of Human Resources (OHR). Reasons for the allowance must be fully documented, showing how recruitment or retention will be hampered if not approved, and how the position meets the three requirements and the criteria listed in the above section.

E. Resposibilities

Responsibility for NIH-wide policy issued in the NIH Policy Manual is shared among several entities within NIH. Primary roles and responsibilities of various organizations are summarized below, with more specific information available in NIH's Standard Operating Procedure:

1. **Institutes and Centers (ICs)**

    a. Assembles the PCA request and obtains internal approvals prior to routing to the Client Services Division (CSD), Office of Human Resources (OHR).

2. **Office of Human Resources/Client Services Division (Branches)**

    a. Reviews PCA requests for completeness, adherence to regulatory and policy requirements, and quality.
    b. Assigns PCA agreement effective and expiration dates, considering the needs of the IC program, approval timeframes, and processing deadlines.
    c. Prepares request packages for any PCA requests requiring higher-level approval.

3. **Office of Human Resources/Client Services Division (Final Authorizers Unit)**

    a. Processes approved PCA requests through the Enterprise Human Capital Management (EHCM).
    b. Arranges repayment procedures when employees do not fulfill PCA service periods.

4. **Office of Human Resources/Compensation and Policy Division**

    a. Develops NIH PCA policy in compliance with law, regulation, and policy. Stays abreast of government-wide PCA issues.
    b. Creates, maintains, and advises OHR and IC staff on PCA policy.

F. References

1. 5 U.S.C. 5948, Physicians' Comparability Allowances
2. 5 CFR 595, Physicians' Comparability Allowances
3. HHS Instruction 595-1, Physicians' Comparability Allowances dated December 2012
4. OPM Fact Sheet on Physicians' Comparability Allowances
5. NIH PCA Standard Operating Procedure (SOP)
6. NIH Delegations of Authority, HR: Pay, No. 09. Physicians' Comparability Allowance(PCA)
7. PCA Case Assembly Resources