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REPORT TO THE CONGRESS

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

Recruitment And Retention Of Veterans Administration Health Care Workers Are Not Major Problems

The Veterans Administration does not have major, nationwide problems in recruiting and retaining health care workers, but there are problems in certain areas for certain workers. Pay, however, is not the major cause.

Different pay systems in VA create internal problems that are not unique to that agency. Pay system improvements, which may alleviate some of these problems, are being considered by the Administration.

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MARCH 31, 1977

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133044

To the President of the Senate and the CWO 06001
Speaker of the House of Representatives

We have reviewed the problems facing the Veterans Administration in recruiting and retaining health care personnel, other than physicians and dentists, and have evaluated the potential of existing U.S. Code authorities for alleviating the problems.

Our review was made pursuant to the Veterans Administration Physician and Dentist Pay Comparability Act of 1975 (89 Stat. 669), October 22, 1975.

We are sending copies of this report to the Administrator of Veterans Affairs; the Chairman, Civil Service Commission; and the Director, Office of Management and Budget.

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

RECRUITMENT AND RETENTION OF VETERANS ADMINISTRATION HEALTH CARE WORKERS ARE NOT MAJOR PROBLEMS

D I G E S T

The Veterans Administration (VA) does not have widespread problems in recruiting and retaining health care workers. Problems arise because of differences between the pay systems used to employ hospital workers, primarily between the Federal Wage System, on the one hand, and the General Schedule and the Department of Medicine and Surgery systems, on the other.

PAY RELATIONSHIPS NOT CAUSING MAJOR RECRUITMENT AND RETENTION PROBLEMS

--VA hospital workers' salaries generally were comparable to or higher than those in the non-Federal facilities. (See p. 13.)

--Most workers who quit VA did not cite pay as the main reason. (See p. 28.)

--Current workers were generally satisfied with their salaries. (See p. 28.)

--Turnover rates for VA health care workers were usually lower than for similar workers in non-Federal facilities. (See p. 27.)

However, some problems in recruiting and retaining employees exist in certain areas for certain categories of workers. Pay, however, was not the major cause. (See p. 21.)

Rather, the recruitment problems were caused by

--shortages of personnel in certain occupations and

--isolated locations of some VA hospitals.

The retention problems were caused by employees

--leaving the area,

--with family responsibilities,

--seeking self-development, and

--leaving for personal reasons.

PROBLEMS RESULTING FROM DIFFERENT PAY SYSTEMS

General Schedule and Department of Medicine and Surgery pay is determined nationwide, while Federal Wage System pay is based on local prevailing rates.

Because of this and other differences, unskilled workers covered by the Federal Wage System (janitors, groundkeepers, laundry workers, etc.) were often paid more than skilled and college trained workers (nurses, technicians, etc.) covered by the other systems; some General Schedule supervisors sometimes received less pay than their Federal Wage System subordinates; and some General Schedule employees transferred to Federal Wage System positions for higher pay. (See p. 5.)

Although these conditions were not contributing to overwhelming recruitment and retention problems, they have created morale problems. Often Federal wage system employees earn much more than people in private business. This may give the Government an unfair advantage when competing with private business for workers.

ONLY LIMITED USE MADE OF AUTHORITY TO ADJUST PAY

Special pay rates can be requested for General Schedule and Department of Medicine and Surgery employees by VA hospitals when they are having recruitment and retention problems because pay is not competitive with the private sector. VA has used this authority

sparingly, indicating that local recruiting problems were not related to pay. (See p. 30.)

RECOMMENDATION TO THE CONGRESS

The Congress should not enact special pay legislation to deal only with VA hospital workers. The pay problems exist throughout the Federal Government and should not be dealt with piecemeal. Such action would only create inequities for health care workers in other Federal agencies.

GAO has recommended changes to the Federal pay systems, as has the President's Panel on Federal Compensation. These earlier recommendations (regarding multischedules, determining pay by locality for many General Schedule employees, and eliminating the legislative restraints to achieving comparability with the non-Federal sector for Federal Wage System employees) are sound and should be acted upon. Legislative proposals submitted to the Congress to bring about these changes should be implemented.

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ABBREVIATIONS

CSC	Civil Service Commission
DM&S	Department of Medicine and Surgery
FWS	Federal Wage System
GAO	General Accounting Office
GS	General Schedule
VA	Veterans Administration

CHAPTER 1

INTRODUCTION

The Veterans Administration (VA) is responsible for providing medical care to the Nation's 29.4 million veterans. The Department of Medicine and Surgery (DM&S) administers VA's health care delivery system, providing this care primarily through a system of 171 hospitals, 213 outpatient clinics, 86 nursing home care units, and 18 domiciliaries.

Health care on such a large scale requires a large staff of well-qualified professionals. As of June 30, 1976, DM&S employed, on a full-time basis, about 5,800 physicians, 850 dentists, 24,000 registered nurses, 33,000 other nursing personnel, and more than 100,000 other health care and administrative personnel.

The VA Physician and Dentist Pay Comparability Act of 1975 (Public Law 94-123 (89 Stat. 669), Oct. 22, 1975) directed the Comptroller General to undertake two studies. The first was to review the short- and long-term problems faced by all Federal agencies in recruiting and retaining physicians and dentists. On August 30, 1976, a report on this matter was issued to the Congress. 1/

The second study is the subject of this report. As required by section 4(d) of the act, this study is an analysis of recruitment and retention problems, both nationwide and geographically, of health care personnel, other than physicians and dentists, in DM&S with respect to basic pay and premium and overtime pay rates.

The act specifically requires the Comptroller General to:

--Examine the existing pay relationships, both nationwide and geographically, between DM&S nonphysician and nondentist personnel and similar employees in non-Federal health care facilities.

--Examine the existing pay relationships, both nationwide and geographically, among nonphysician and nondentist personnel within DM&S (including an analysis of the effect of differing pay systems).

1/"Recruiting and Retaining Federal Physicians and Dentists: Problems, Progress, and Actions Needed For The Future" (HRD-76-162).

--Analyze to what extent the pay relationships referred to above create recruitment and retention or other personnel or related problems in effective administration and achievement of DM&S's mission.

--Review to what extent U.S. Code authorities--title 5 (Government Organization and Employees) and title 38 (Veteran's Benefit)--have been used to deal with any recruitment and retention and pay problems.

--Provide (1) alternative suggested courses of legislative or administrative action (including proposed legislation), with cost estimates, which in the Comptroller General's judgment will alleviate or solve recruitment, retention, and pay problems, and (2) a recommendation, with justificiations, of which course of action should be taken.

VA PAY SYSTEMS

VA health care personnel are employed in either the General Schedule (GS) or title 38 pay systems. Hospital personnel primarily involved with food service and building maintenance are employed under the Federal Wage System (FWS). At June 30, 1976, DM&S employed over 167,000 individuals in these three pay systems.

Pay system	DM&S full-time employees	Percent
GS	100,904	62
Title 38	32,300	19
FWS	34,390	19
Total	167,594	100

GS pay system

The GS system is applicable to administrative, technical, and professional personnel not covered by the title 38 pay system. Yearly salary rates are applicable nationwide.

Adjustments to the General Schedule are based on an annual survey of private sector salaries. This survey--the National Survey of Professional, Administrative, Technical, and Clerical Pay--is made by the Department of Labor's Bureau of Labor Statistics. Data is collected for a sample of jobs which are typical of various levels of the GS pay system and which also commonly exist in the private sector. The survey

is designed to obtain national averages for the selected jobs from which a Federal payline--a series of rates, with one rate for each GS grade--can be developed. From this payline, the completed schedule is computed.

Title 38 pay system

Chapter 73 of title 38 of the United States Code--hereafter referred to as title 38--is applicable to physicians, dentists, registered nurses, physician assistants, expanded-function dental auxiliaries, optometrists and clinical podiatrists. Under this system, minimum and maximum yearly salary rates are set forth by grade in 38 U.S.C. 4107, and the intermediate step rates are set administratively. Rates are applicable nationwide and are related to the GS rates. Under 5 U.S.C. 5301, the pay levels for the statutory pay systems are to be interrelated. This interrelationship between the statutory schedules is accomplished by the Civil Service Commission (CSC) linking a high and a low grade of the title 38 system with their equivalent GS levels. From these linked rates, the payline and salary schedules are developed.

FWS

FWS is applicable to personnel engaged in crafts, trades, labor, and related blue-collar occupations. Wage rates are established for 135 different geographic localities defined by CSC.

The Federal agency in each locality with the most blue-collar workers makes an annual survey of private sector wages to establish the prevailing wage for the area.

The differences in labor markets and local prevailing rates create a wide variation in the authorized wages for the FWS areas. For example, in April 1976 in those wage areas where DM&S employed blue-collar occupations, the lowest entry-level wage for a FWS worker (WG-1, step 1) ranged from $2.39 an hour in Puerto Rico to $5.28 an hour in Detroit.

SCOPE OF REVIEW

There are about 120 health care occupational groupings in the VA system comprising over 350 occupations. We selected 10 occupations for our review. These occupations were selected on the basis of having (1) a large number of employees, (2) critical responsibilities, and (3) relatively high turnover

rates. As of June 30, 1976, personnel in these 10 occupations represented about 73 percent of all DM&S personnel--excluding physicians and dentists--involved in direct patient care.

The following table shows the occupations included in our review and the number of full-time employees in each as of June 30, 1976. All occupations shown are in the GS pay system except registered nurse, which is in the title 38 system.

Registered nurses	24,280
Licensed vocational practical nurses	7,245
Nursing assistants	24,827
Physical therapists	647
Occupational therapists	575
Medical technologists	2,549
Radiology technicians--diagnostic	1,542
Pharmacists	1,344
Nuclear medicine technicians	251
Inhalation therapy technicians	845
Total	64,105

To include a mix of hospitals in large and small cities competing with non-Federal facilities in distinct labor markets, we selected 12 VA hospitals to review. The 12 hospitals included large general medical and surgical hospitals (over 500 beds), small general medical and surgical hospitals (under 500 beds), and psychiatric hospitals. Seven of the hospitals were affiliated with medical schools. (See app. I.)

We concentrated on VA, but we also asked the Offices of the Surgeons General of the three military services and the Public Health Service whether they were having any recruitment and retention problems.

We also obtained data from CSC, the Bureau of Labor Statistics, and the University of Texas Medical Branch at Galveston. In addition, we mailed questionnaires to selected nonphysician health personnel who were employed by VA at the time of our review or who had terminated their employment before our review.

CHAPTER 2

PAYS RELATIONSHIPS AMONG VA HEALTH CARE PERSONNEL

The Federal Wage and General Schedule systems survey different industries, different representative jobs, and different-size establishments in different geographic universes; employ different weighting techniques; have different numbers of grades and different intergrade differentials; and provide different pay ranges. VA employees are paid under unrelated pay systems. This has resulted in (1) the FWS minimum entry wage often being higher than GS entry-level salaries for professionals, (2) FWS employees sometimes receiving higher pay than their GS supervisors, and (3) some GS employees transferring to FWS positions for higher pay.

The differences between these three pay systems are more visible when employees of the three systems work side by side. It should be noted that our study related to only one segment (VA health care personnel) of the total Federal work force. The entire work force is affected by the difficulty of these systems to achieve pay comparability with non-Federal facilities. Improvements in the pay determination processes for both the Federal white- and blue-collar work force have been previously recommended in studies by us, the Civil Service Commission, and the President's Panel on Federal Compensation.

PROBLEMS RESULTING FROM DIFFERENT PAY SYSTEMS

The percentage increase in wages received by FWS employees over the past several years has been greater than that received by GS and title 38 employees. The differences in pay adjustments between GS and title 38 and FWS for the past 5 fiscal years are shown on the following page.

Fiscal year	Pay adjustments (actual average increases) GS and title 38	FWS
	(percent)	
1977 (note a)	b/4.8	(c)
1976	5.0	9.6
1975	5.5	8.8
1974	4.8	10.4
1973	d/5.7	6.0

a/As of October 1976.

b/The actual increase for title 38 may be higher.

c/Not available.

d/As of January 1973.

These differences have contributed to the minimum FWS pay sometimes being higher than the starting salary of a GS-5--the lowest entry level for a professional. In addition, FWS employees may receive higher pay than their GS supervisors, and GS employees sometimes transfer to FWS positions for higher pay.

FWS minimum wage often higher than GS entry level wage

The Department of Medicine and Surgery employs personnel paid under FWS in 101 (75 percent) of the 135 geographic wage areas. In 24 of the 101 wage areas, the minimum starting pay of an FWS employee (WG-1) exceeded the starting pay of a GS-5 ($4.47 an hour). GS-5 is the normal entry level at which DM&S employs an individual with a bachelor's degree. Typically, VA hospitals have many different types of FWS occupations with many having an entry level above WG-1. The table on the following page shows the number of different FWS occupations that had minimum wages exceeding the GS-5 starting salary. As shown, at 3 of the 12 hospitals reviewed, all FWS occupations exceeded the GS-5 starting wage.

VA hospital	Different FWS occupations	Rate for FWS occupations exceeding GS-5, step 1	
		Number	Percent
Long Beach	33	33	100
Brentwood	19	19	100
Phoenix	29	26	90
Atlanta	25	16	64
Lake City	23	15	65
Murfreesboro	29	22	76
Brockton	29	26	90
Providence	19	13	68
West Haven	25	13	52
Salt Lake City	27	22	81
Ft. Harrison	19	17	89
Ft. Lyon	28	28	100

VA officials noted that a nursing assistant employed at the GS-2 level, the normal entry level, currently receives less pay than a housekeeping aide, food service worker, or laundry worker employed at the WG-1 level, the normal entry level, in 94 of the 101 wage areas. VA officials are concerned about this pay difference because of the impact on the morale of the approximately 25,000 nursing assistants, 7,400 licensed vocational/practical nurses, and other medical support personnel. The officials indicated that this is the one area of pay inequity most frequently mentioned in complaints, appeals, and congressional inquiries.

According to officials in nine of the hospitals, lower level GS employees--nursing assistants and licensed practical nurses--are disturbed by this situation. For example, one nursing assistant, in responding to our questionnaire, stated:

> "As a nursing assistant I feel we are underpaid. I work in the SCI (spinal cord injury) service. It is hard work physically and emotionally demanding. If our salary was higher more people would remain in the service. The housekeeping service starts out with $4 per hour; we start out at $3 per hour. We deal with people's lives. This is unfair."

Pay of FWS employees sometimes exceeds that of their GS supervisors

We believe that the difference in the average percentage increases between GS and FWS is one factor allowing FWS employees to obtain pay exceeding that received by their GS supervisors. This situation existed on June 30, 1976, at five of the hospitals we reviewed. However, the situation can be partially remedied under 5 U.S.C. 5333, which gives agencies authority to increase pay for a GS employee who regularly has responsibility for supervising FWS employees who are more highly paid. A few examples of these adjustments are presented below.

GS position	GS rate of supervisor before adjustment	FWS annual pay rate for highest paid subordinate	GS rate of supervisor after adjustment
Assistant hospital housekeeping officer (Lake City)	$12,626	$13,665	$13,679
Laundry and dry cleaning plant manager (Phoenix)	13,443	14,685	15,071
Dietitian (Long Beach)	21,324	21,694	21,970

A GS supervisor's salary will be increased to the maximum rate for the grade (step 10), and no further within-grade adjustments are possible. We identified four hospitals at which GS supervisors were being paid at the top step of their grade but were still receiving salaries below the pay of the FWS employees. No action other than job restructuring or promotion exists to remedy this situation.

Transfers of GS employees to FWS positions

The higher pay available in FWS positions occasionally results in GS employees tranferring to the FWS system. From July 1, 1975, to June 30, 1976, 49 GS employees at 11 of the 12 hospitals we reviewed transferred to FWS positions. For example:

--A GS-9, step 7, dietitian transferred to a supervisory cook position (WS-11, step 1) at a 12-percent pay increase.

--A GS-4, step 7, nursing assistant transferred to a motor vehicle operator position (WD-4, step 1) at at a 5-percent pay increase.

Officials at four hospitals believed that many more transfers would have occurred if vacancies had existed for FWS positions.

Transfers also occurred from FWS to GS at some hospitals, but they were less frequent. Two reasons given for such transfers were status and better career opportunities.

DISPARITIES IN PREMIUM PAY RATES BETWEEN THE PAY SYSTEMS

Morale problems sometimes arise because of disparities in premium pay rates between the GS and title 38 pay systems. Most of the forms of premium pay entitlement are generally comparable.

Standby pay represents the additional pay authorized for GS employees who remain at an authorized duty station and might be recalled to work in an emergency. For the title 38 employees, pay for such services is referred to as on-call pay.

Comparison of premium and overtime rates

The following table compares the basic premium and overtime pay rates as of December 31, 1976, for the three pay systems.

Provision	Title 38	GS	FWS
Shift differentials:			
1st shift	Base pay	Base pay	Base pay
2nd shift	110% x base	110% x base	107.5% x base
3rd shift	110% x base	110% x base	110% x base
Overtime pay	150% x base	150% x base	150% x base
Sunday pay	125% x base	125% x base	125% x base
Holiday pay	200% x base	200% x base	200% x base
Standby/on-call pay	15% x base per hour (note a)	10-25% x base (note b)	None

a/Two-hour minimum.

b/Depends on hours scheduled.

GS employees are eligible for night differential pay of 10 percent only for those hours of work which fall between 6 p.m. and 6 a.m. DM&S employees also have similar night pay entitlement. However, if 4 or more hours of an employee's tour of duty fall between 6 p.m. and 6 a.m., the DM&S employee is entitled to night pay for the entire tour. Under FWS, an employee is entitled to night pay of 7-1/2 percent if a majority of the employee's hours (5 hours of an 8-hour shift) fall between 3 p.m. and midnight, and 10 percent if a majority of the hours fall between 11 p.m. and 8 a.m. If fewer than a majority of the hours fall between these specified times, no night differential is paid to an FWS employee.

On-call pay applies only to DM&S nurses and certain other title 38 employees. When assigned to on-call duty, a nurse receives 10 percent of the overtime rate. If required to return to work for overtime duty, the on-call pay is terminated and the nurse is entitled to call-back overtime pay (at least 2 hours, even if less time is worked). When released from overtime duty, the nurse returns to the remainder, if any, of the assigned on-call duty and pay. When in an on-call status, a nurse's whereabouts are not generally restricted, provided that the nurse is available when needed.

Standby pay applies only to GS employees. An employee officially designated and assigned to standby duty receives premium pay on an annual basis, not to exceed 25 percent of the employee's basic rate. The percentage is based on the average number of standby hours required per week. When assigned to standby duty, the employee may not leave the duty station. However, based on a Comptroller General decision (B-131808, Sept. 13, 1957), CSC has provided that the employee's living quarters may be designated as the duty station when administratively necessary.

Disparities between standby and on-call pay

Each hospital reviewed used the principle of voluntary standby when dealing with GS health care personnel. In an emergency this requires telephoning GS personnel in the affected services to determine if they are willing to return to work at the overtime pay rate. Occasionally, no one can be reached who is willing to return to work. This has resulted in undesirable situations. For example, at the Long Beach VA hospital a registered nurse--a title 38 employee--was used to operate an X-ray machine when a radiology technician--a GS employee--could not be located.

A VA offical said that standby pay is not normally authorized because (1) VA payroll costs would increase greatly if standby pay was authorized for all GS employees and (2) emergencies are not frequent enough to warrant paying GS employees to stand by.

Although disparities exist, we found no examples of employees quitting as a result.

EFFORTS TO IMPROVE FEDERAL PAY SYSTEMS

Pay disparities are not unique to VA. Wherever employees in more than one pay system work side by side, disparities can be found. Similar problems existed in other Federal health care facilities we visited during this review. Previous recommendations to alleviate these disparities have been made by us, the President's Panel on Federal Compensation, and CSC.

Efforts concerning pay determination

The January 1976 report of the President's Panel on Federal Compensation presented recommendations to improve the pay determination process for both the GS and FWS pay systems. The Panel recommended authorization for the establishment of special occupational schedules when needed and also recommended that the GS schedule be replaced by two schedules: one for professional occupations, for which salaries would be determined nationally; the other for clerical and technical occupations, for which the pay would be established locally in accordance with the prevailing rates. This recommendation was made because pay rates for non-Federal clerical and technical jobs vary widely among geographical areas and these are the labor markets in which the Government competes for employees.

With regard to the FWS pay system, the Panel recommended that certain provisions be repealed or amended to improve the comparability with the private sector. The Panel recommended, among other things, that State and local government data be included in wage surveys when needed. This is particularly important for health care personnel since many hospitals are operated by State and local governments.

We have also addressed the need for improvements in blue- and white-collar pay-setting procedures. In an

October 30, 1975, report to the Congress 1/ on white-collar pay, we recommended, among other things, that the current GS schedule, which classifies many different occupations at the same work level or grade based on job duties and responsibilities, be replaced by a schedule with more logical groupings, in which pay is based on rates in the labor market in which each group competes. The Office of Management and Budget and CSC agreed with our recommendations and said that CSC was studying the types of problems we identified.

In a June 3, 1975, report to the Congress on FWS, 2/ we recommended legislative changes to (1) include State and local government pay data in the wage system process, (2) change the pay range structure, (3) eliminate the requirement that out-of-area pay data be used in certain circumstances, and (4) permit the establishment of night shift differentials in accordance with local prevailing practices. CSC, the Defense Department, and VA generally agreed with our recommendations. CSC has submitted a legislative proposal to the Congress to effect these changes.

In January 1977 CSC officials advised us that legislation regarding FWS had been submitted to the Congress and that they were developing a legislative proposal to split the GS schedule into two schedules and to obtain authority to establish occupational schedules.

CONCLUSIONS

Premium and overtime pay is generally comparable among the three pay systems in VA. The one exception is standby/on-call pay. Disparities exist in the methods of determining annual adjustments to basic pay. These are created by the various procedures to attain the principle of comparability between Federal and non-Federal employees. The GS and title 38 pay systems interpret comparability nationwide, whereas FWS uses a local prevailing rate.

These problems are not unique to VA. They will be encountered by any Federal agency employing personnel from different pay systems side by side.

1/"Federal White-Collar Pay Systems Need Fundamental Changes" (FPCD-76-9).

2/"Improving the Pay Determination Process for Federal Blue-Collar Employees" (FPCD-75-122).

CHAPTER 3

COMPARISON OF VA AND NON-FEDERAL COMPENSATION

Nationwide, VA entry-level pay rates for Department of Medicine and Surgery and General Schedule employees are somewhat lower than those in non-Federal facilities, but the average VA worker makes as much as or more than his non-Federal counterpart. Moreover, the maximum salaries paid in the VA system are usually higher. Premium and overtime pay rates for VA and non-Federal facilities are generally equivalent.

Geographically, disparities occasionally exist in the basic pay received by VA health care personnel. In some locations health care personnel are better paid than non-Federal personnel, and in other locations they are not as highly paid. These disparities are primarily the result of the nationwide characteristics of the GS and title 38 pay systems.

Beside geographical disparities in the salaries of health care personnel, in some instances the pay determination process for the Federal Wage System allowed blue-collar employees to receive much more money than their non-Federal counterparts.

SALARY COMPARISON FOR HEALTH CARE PERSONNEL

A nationwide comparison of entry-level and maximum salaries for the 10 selected occupations shows that the VA employee has a lower entry-level salary but can eventually equal and surpass the average maximum non-Federal salary. Our geographical analysis identified certain categories of health care personnel with distinct advantages and disadvantages concerning base pay.

Nationwide salary comparison

The 1976 National Survey of Hospital and Medical School Salaries, developed by the University of Texas Medical Branch at Galveston, gives a picture of non-Federal average entry-level and maximum rates for various categories of nonsupervisory health care occupations in a hospital setting. This nationwide salary information was based on input from 44 hospitals throughout the country. Data was available for 9 of the 10 occupations included in our review.

A comparison of VA and non-Federal maximum salaries was made because nationwide and certain geographical (see pp. 16 and 17) average salaries were not readily available. Although we do not believe that maximum salaries provide as meaningful a comparison as average salaries, they do indicate a reasonable range of salaries available to employees. In addition, we did not compare fringe benefits, another form of compensation.

The following table compares average salaries from the nationwide survey as of July 1, 1976, to those currently paid in VA hospitals for these nine occupations.

	Entry-level rates			Maximum salaries paid		
	VA	Nationwide average	Percentage difference	VA	Nationwide average	Percentage difference
Registered nurses	$10,370	$10,440	-0.7	$22,177	$13,200	40
Licensed practical nurses	7,408	7,812	-5.4	13,484	9,960	26
Pharmacists	14,097	15,048	-6.7	22,177	18,504	17
Nursing assistants		(a)			(a)	
Physical therapists	10,370	11,592	-11.8	18,327	14,328	22
Occupational therapists	10,370	11,328	-9.2	18,327	13,680	25
Medical technologists	9,303	10,764	-15.7	18,327	13,584	26
Radiology technicians	8,316	9,192	-10.5	14,979	11,472	23
Inhalation therapy technicians	8,316	10,248	-23.2	14,979	12,420	17
Nuclear medicine technicians	8,316	10,476	-26.0	16,588	12,756	23

a/Not available.

The above data shows that VA entry-level salaries are lower than those in non-Federal facilities, but that the maximum VA salaries paid exceed average maximum non-Federal salaries for each occupation. An analysis of this data shows that it is possible for a VA employee to exceed the average maximum non-Federal salary in an average of about 5 years. The minimum length of time for each occupation is presented in the table on the following page.

	Years to exceed average maximum non-Federal salaries (note a)
Registered nurses	3
Licensed practical nurses	3
Pharmacists	4
Nursing assistants	(b)
Physical therapists	4
Occupational therapists	3
Medical technologists	10
Radiology technicians	6
Inhalation therapy technicians	10
Nuclear medicine technicians	3

a/We are assuming the minimum Civil Service requirements of 1 year in grade for promotion until the authorized grade is reached and normal progression for in-step increases thereafter.

b/Non-Federal salary figure not available.

Geographical salary comparison

VA health care personnel employed in the GS or title 38 pay systems receive a salary determined by averaging nationwide pay rates for many occupations in many industries. By contrast, the salaries paid to non-Federal health care employees are directly influenced by such factors as geographical location, cost of living, labor market, and competition in the health care industry. This difference between the pay determination processes occasionally contributes to pay inequities in some locations.

The following two maps of the United States demonstrate how the VA entry-level and average or maximum salaries compared to those paid in non-Federal facilities. Although entry-level salaries paid to VA employees are frequently lower than those paid non-Federal employees, the average or maximum salary paid to a VA hospital worker is usually the same or more than that paid to his non-Federal counterpart. Appendix II graphically compares VA and non-Federal salaries in the 12 reviewed locations.

NUMBER OF REVIEWED OCCUPATIONS WHERE EITHER THE VA AVERAGE, OR MAXIMUM (*), EXCEEDED THAT IN THE NON-FEDERAL FACILITIES

NOTE Data on weighted-average salaries was not available in all locations. In these cases, we have used the maximum salaries paid

NUMBER OF REVIEWED OCCUPATIONS WHERE THE VA ENTRY-LEVEL SALARY EXCEEDED THAT IN THE NON-FEDERAL FACILITIES

Responses to our questionnaire from current and terminated VA employees in the 10 occupations indicated that VA salaries are competitive with non-Federal salaries. Benefits and salary were the two principal reasons that questionnaire respondents accepted their first Government health care job. In addition, 76 percent of the respondents employed at the time of our review indicated satisfaction with their present salary.

FWS PAY DETERMINATION PROCESS CREATES WAGE DISPARITIES

Based on a comparison between VA and non-Federal wages in various sections of the country, we determined that salaries of some categories of Federal blue-collar workers in VA hospitals are higher than those of their non-Federal counterparts. This situation existed at 11 of the 12 hospitals reviewed. The following information, obtained from local hospitals and hospital associations, summarizes the entry-level hourly differences for a few basic blue-collar positions.

	Housekeeping aide		Cook		Food service worker	
Hospital	FWS	Non-Federal	FWS	Non-Federal	FWS	Non-Federal
Long Beach	$3.90	$2.88	$4.83	$3.63	$3.90	$2.78
Brentwood	3.90	2.88	4.83	3.63	3.90	2.78
Phoenix	4.08	2.39	5.17	2.83	4.08	2.35
Atlanta (note a)						
Lake City	3.50	2.20	4.70	2.40	3.50	2.20
Murfreesboro	3.47	2.35	4.47	2.68	3.47	2.35
Brockton	4.93	2.76	5.60	3.81	4.63	2.68
Providence	3.59	2.54	4.47	4.06	3.59	2.53
West Haven	3.82	3.37	4.73	4.97	3.82	3.59
Salt Lake City	4.25	2.56	5.15	3.45	4.25	2.56
Fort Harrison	4.66	2.80	5.59	3.41	4.66	2.66
Fort Lyon	4.45	2.91	5.30	4.10	4.45	2.91

a/Not available.

The disparities between FWS and non-Federal wages have been previously discussed in our June 1975 report on the pay determination process for Federal blue-collar workers. (See note 2, p. 12.) In this report we concluded that:

> "The legislative pay principle of comparability is not being attained because the application of certain other legislative provisions results in substantially higher pay rates for Federal blue-collar employees than the rates of their private sector counterparts in the same localities."

A non-Federal employer we contacted in Arizona believed that the wage disparities between his employees and VA blue-collar employees created morale problems and gave the Federal Government a distinct recruiting advantage in the local labor market.

PREMIUM AND OVERTIME PAY RATE COMPARISON FOR HEALTH CARE PERSONNEL

The premium and overtime pay rates at the VA hospitals were generally comparable both nationwide and geographically with non-Federal health care facilities. However, Sunday and holiday pay rates were greater for VA than for the non-Federal sector.

Nationwide premium and overtime pay rate comparison

In 1975 CSC's Bureau of Policies and Standards issued a report entitled "Survey of Compensation Practices." This report, the only source we could locate that provided nationwide data, lists the common forms of premium and overtime pay used in not-for-profit organizations. Of the 40 organizations participating in the survey, about 43 percent were in medical or other health services.

The following table compares the common premium and overtime pay rates of the not-for-profit organizations and those authorized for GS 1/ employees in VA health care facilities.

1/We have selected GS employees to compare with employees of not-for-profit organizations because this system covers about 63 percent of the VA employees and 61 percent of our 10 selected occupations.

Type of payment	VA hospitals	Not-for-profit organizations
Overtime rate	150% x base	150% x base
Shift differentials:		
Second shift	110% x base	105%-110% x base
Third shift	110% x base	110%-119% x base
Sunday pay rate	125% x base	Straight time
Holiday pay rate	200% x base	Straight time
Standby pay rate	10-25 percent x base (note a)	Not available

a/Depends on hours scheduled.

Geographical premium and overtime pay rate comparison

Although premium and overtime pay rate data was not readily available in most geographical areas we visited, we obtained some data from non-Federal health facilities. A comparison of the premium and overtime pay rates for each geographical area is presented in appendix III.

The responses to our questionnaires from current VA personnel in the 10 occupations also indicated that the rates are comparable. In 79 percent of the questionnaires, the respondents indicated satisfaction with premium and overtime pay rates at the VA hospitals.

CONCLUSIONS

Incomes of VA health care personnel generally compare favorably nationwide to those received by their non-Federal counterparts. Although VA personnel sometimes had lower entry-level salaries, it is possible for them to equal or surpass non-Federal personnel for average or maximum salaries paid within 5 years. We noted, however, that in certain locations, for certain occupations, VA salaries were higher or lower than non-Federal salaries.

Because of certain legislative provisions used in the FWS pay determination process, in some instances at 11 of 12 VA hospitals reviewed some categories of FWS workers were obtaining higher wages than their non-Federal counterparts.

CHAPTER 4

RECRUITMENT AND RETENTION PROBLEMS NOT CREATED BY PAY RELATIONSHIPS BETWEEN VA AND NON-FEDERAL FACILITIES

No major nationwide recruitment or retention problems were identified in the 10 occupations selected for review. The geographical recruitment and retention problems that were identified were generally caused by factors other than pay.

NATIONWIDE ANALYSIS

Two common indicators of recruitment and retention problems are turnover rates and vacancy rates. A turnover rate is the number of personnel losses annually, expressed as a percentage of total employment in that occupation; a vacancy rate is the number of vacant positions that are funded and being recruited for, also expressed as a percentage of total employment in that occupation.

Turnover rates for the 10 occupations included in our review for the past 5 fiscal years are:

	Fiscal years				
	1976	1975	1974	1973	1972
Registered nurses	15.2%	14.3%	15.6%	17.2%	17.7%
Licensed practical nurses	17.8	16.0	20.6	18.9	18.4
Pharmacists	9.4	9.4	13.4	10.4	10.1
Nursing assistants	15.4	14.8	19.0	18.5	16.5
Physical therapists	18.1	16.5	20.2	16.7	17.7
Occupational therapists	15.2	14.7	16.4	12.6	15.2
Medical technologists	13.4	13.8	16.1	15.8	15.3
Radiology technicians	13.5	13.0	15.1	13.1	13.1
Inhalation therapy technicians	12.2	12.3	12.9	12.4	15.3
Nuclear medicine technicians	13.9	16.9	15.1	8.3	(a)

a/None employed.

Nationwide non-Federal data for turnover rates was not available. VA concluded in a May 1976 report on pay problems to the House and Senate Committees on Veterans Affairs that overall turnover less than 20 percent is reasonable.

Vacancy rates for the same occupations and periods are summarized below.

	Fiscal years				
	1976	1975	1974	1973	1972
Registered nurses	1.4%	1.1%	1.0%	1.5%	1.2%
Licensed practical nurses	2.3	2.3	2.2	1.8	1.5
Pharmacists	2.5	2.3	2.1	2.8	1.8
Nursing assistants	1.0	1.0	1.0	0.9	1.0
Physical therapists	6.9	5.9	5.2	6.0	4.6
Occupational therapists	4.1	3.9	3.5	4.8	3.8
Medical technologists	3.4	3.1	3.2	3.8	3.1
Radiology technicians	2.3	1.5	1.5	1.7	1.3
Inhalation therapy technicians	4.8	4.3	4.0	4.0	3.0
Nuclear medicine technicians	4.4	6.5	4.0	5.0	(a)

a/None employed.

As shown, almost all the annual turnover rates for each of the 10 occupations have been within 20 percent, considered by VA as reasonable.

To the extent that VA's acceptance of a 20-percent turnover rate is reasonable, we do not believe that VA has experienced major nationwide recruitment or retention problems. VA reached similar conclusions in a May 1976 report, stating that:

> "* * * when recruitment and retention of DM&S health care personnel other than physicians and dentists are viewed in terms of turnover experience and vacancy/on-duty ratios, it is difficult to conclude that from a nationwide standpoint that VA has any substantial recruitment or retention problems."

GEOGRAPHICAL RECRUITMENT ANALYSIS

The recruiting difficulties experienced in certain locations mostly involved three occupations. Although lower pay in some areas for some workers may have contributed to recruitment problems, we believe a shortage of workers was often the principal cause.

Geographical shortages of health care personnel

Appendix IV lists the occupations and locations for which geographical shortages of health care workers were reported by VA hospital officials or were identified through discussions with Civil Service Commission officials.

Physical therapists, licensed practical nurses, and nuclear medicine technicians were the three occupations which experienced shortages most frequently. The primary reasons for these shortages are (1) an increase in use of physical therapists in recent years, (2) the use of licensed practical nurses to assume many duties previously performed by registered nurses, and (3) the fact that nuclear medicine technician is a relatively new occupation for which few people have been trained.

The other shortage occupations identified also result from supply problems in the geographical area. This is reportedly due partly to the undesirable locations of certain hospitals. For example, officials at both Fort Lyon and Fort Harrison indicated that the isolated locations of the hospitals and a lack of adequate housing were major reasons for their recruiting difficulties.

Examples of recruiting problems caused by shortages of personnel on CSC registers are given below.

--At Murfreesboro, two requests were submitted for physical therapist registers. Both registers were returned from CSC with no eligibles on them. After about 275 days of active recruiting failed to identify a qualified candidate, the vacant position was converted to another occupation.

--At Fort Lyon, a physical therapist position was vacant for 1-1/2 years.

Accordingly to CSC headquarter officials, occupational therapists, physical therapists, and nuclear medicine technicians were the occupations in short supply. San Francisco CSC Regional Office officials said that in certain areas all categories of health care workers experience shortage problems from time to time.

Shortage categories not directly related to pay relationships

The geographical shortages of personnel cannot be solely attributed to salaries in VA hospitals. Our analysis of VA and non-Federal salaries in chapter 3 and graphic presentations in appendix II support this observation.

The following table provides examples of the relationship between VA and non-Federal entry-level salaries in those geographical areas where shortages were identified in the three major occupations.

		Actual starting salaries	
	Location with shortages	VA	Non-Federal sector
Physical therapists	Fort Lyon	$11,523	$10,368
	Long Beach	11,523	13,056
	Murfreesboro	10,370	10,216
Licensed practical nurses	Long Beach	8,316	8,868
	Fort Lyon	7,407	6,840
	Salt Lake City	8,316	6,566
Nuclear medicine technicians	Atlanta	9,303	9,506
	Long Beach	10,370	12,060
	Murfreesboro	12,763	12,584

This table shows that VA entry-level salaries compare favorably with those paid in non-Federal health care facilities.

In the questionnaire provided to terminated and current VA health care workers in the 10 occupations reviewed, we asked them to give the most important reasons for taking their first Government health care job. The most frequently given reasons were benefits (59 percent for terminated and 47 percent for current employees) and salary (55 percent and 41 percent, respectively). These responses indicate that lower pay than the non-Federal sector is not the primary reason for VA recruitment problems.

Another possible cause of geographical recruitment problems

At some VA hospitals reviewed, officials said that applicants were rejected because they lacked acceptable qualifications. These officials indicated that they would recommend rejecting an applicant if they felt the individual could not perform the duties of the position. A few officials added that lack of acceptable qualifications meant the applicant did not have professional certification or a State license.

We believe this situation could create a local recruitment problem for some occupations in some VA hospitals. However, since applicants on CSC registers have met the minimum qualification standards established by CSC and VA, we view any recruiting problems due to "unqualified applicants" as a self-created problem. Most hospital officials we contacted were satisfied with CSC applicants and believe they were as qualified as those in non-Federal facilities.

GEOGRAPHICAL RETENTION ANALYSIS

VA was not having major retention problems, on a geographical basis, for health care workers. Few employees who terminated gave low pay as the primary reason.

We base our conclusion on analyses of the following factors: (1) the length of service by health care workers at each hospital reviewed, (2) a comparison of VA and non-Federal turnover rates, and (3) the reasons given for terminations by personnel who have quit at the 12 hospitals.

Length-of-service analysis

The following table shows length of service as of June 30, 1976, by (1) hospital, for 9 of the 10 occupations we reviewed, and (2) occupations for the 12 hospitals we reviewed. 1/

1/Data not available for registered nurses.

Hospital	Years of service: Under 1	1-3	3-6	Over 6	Total
	(percent)				
Long Beach	18	26	25	31	100
Brentwood	8	10	10	72	100
Phoenix	54	17	9	20	100
Atlanta	14	33	19	34	100
Lake City	12	23	24	41	100
Murfreesboro	9	11	17	63	100
Brockton	19	25	11	45	100
Providence	18	30	16	36	100
West Haven	18	25	19	38	100
Salt Lake City	22	23	15	40	100
Fort Harrison	14	36	5	45	100
Fort Lyon	19	25	13	43	100
Occupation					
Licensed practical nurses	25	26	19	30	100
Pharmacists	19	39	15	27	100
Nursing assistants	16	20	17	47	100
Physical therapists	16	42	13	29	100
Occupational therapists	18	35	27	20	100
Medical technologists	23	34	21	22	100
Radiology technicians	22	29	21	28	100
Inhalation therapy technicians	22	27	20	31	100
Nuclear medicine technicians	13	27	27	33	100
Overall	18	23	18	41	100

These analyses indicate that about 41 percent of the employees in the nine occupations had worked for the VA hospitals for more than 6 years. About 59 percent had at least 3 years of VA service. We believe this indicates that the VA hospitals reviewed had a relatively stable, long-term staff involved in direct patient care. In addition, current personnel responding to our questionnaire indicated that the average length of service at their present hospital was 7 years.

Turnover rate analysis

Turnover data in non-Federal facilities was not available in all locations, but the data we did obtain showed that VA hospital turnover rates compare favorably with those in non-Federal facilities. Comparative data was available in the non-Federal facilities for 68 of the 120 possible occupational category comparisons. In 63 instances the VA turnover rate for an occupational category was equal to or lower than the non-Federal rate. The following table breaks down the data by hospital.

	Occupational totals		
Hospital	VA turnover equal or less	VA turn-over more	Data not available
Long Beach	5	0	5
Brentwood	5	0	5
Phoenix	9	0	1
Atlanta	7	2	1
Lake City	4	0	6
Murfreesboro	4	0	6
Brockton	9	1	0
Providence	9	0	1
West Haven	0	0	10
Salt Lake City	8	0	2
Fort Harrison	3	2	5
Fort Lyon	0	0	10
Total	63	5	52

Reasons employees quit

Our analysis of responses to VA exit interview forms on why VA health care workers terminated their employment during fiscal years 1975 and 1976 indicated that 7 percent or less have given reasons related to pay. The major reasons cited for quitting included self-development, family responsibilities, and leaving the area.

An analysis of the 10 reasons provided on the forms during fiscal years 1975 and 1976 for the reviewed occupations at each hospital are summarized on the following page.

Reason for leaving	Overall percentage
Geographic location	19
Self-development	19
Family responsibilities	11
Health/physical condition	8
Working conditions	5
Economic considerations (pay and benefits)	5
Nature of work	5
Military	1
Relationships on the job	1
Various other reasons	26
Total	100

Our questionnaire to former employees in the 10 occupations reviewed also indicates that few health care workers leave VA for salary reasons. Some of the reasons given included:

Reasons for leaving	Percentage of respondents (note a)
Did not like working relationship with supervisor or hospital management	27
More opportunity for career development	26
Training and experience not used adequately	26
Did not like working conditions	23
Desired more education and training	22
Wanted to work with different types of patients	22
More opportunities for promotion	20
Needed to stay home (pregnancy, family, children, etc.)	15
Wanted to go to a different part of the country or location	14
Desired a better job	12
Needed more money	7
Did not like working for Federal Government	5

a/Respondents were allowed to check more than one response; therefore, the percentages will total more than 100 percent.

Our questionnaire to current VA employees in the 10 occupations showed that 76 percent were satisfied with their present salary. These responses also indicate that VA health care employees are not terminating their employment primarily for economic reasons.

CONCLUSIONS

In general, VA was not having widespread problems in recruiting or retaining health care personnel. With regard to recruiting, we identified three occupations in which VA was having problems in certain geographical areas. These problems were attributable primarily to shortages of these personnel. An analysis of retention indicators--turnover and vacancy rates, length of service, and reasons employees quit--shows that VA is not having major problems in retaining health care personnel.

CHAPTER 5

DEGREE TO WHICH EXISTING STATUTORY AUTHORITIES HAVE BEEN USED TO DEAL WITH RECRUITMENT AND RETENTION PROBLEMS

Authority exists in the U.S. Code to establish special rates of pay if an agency is having recruitment or retention problems because it pays less than the private sector. At the VA hospitals we reviewed, these special rate authorities were used infrequently. This is because VA recruitment and retention problems were primarily related to factors other than pay.

DESCRIPTION OF TITLE 5 and 38 AUTHORITIES

The special pay provisions in title 5 apply to all General Schedule health care personnel--nine of the occupations included in our review--and title 38 provisions apply to certain professional health care personnel employed in the Department of Medicine and Surgery--the registered nurses in our analysis.

Title 5 special rate provisions

Section 5303 of title 5 and Executive Order 11721 authorize the Civil Service Commission to establish special above-the-minimum rates of basic pay when two primary conditions exist:

--Pay rates in private enterprise must be substantially above the pay rates of the statutory pay schedule.

--These higher private enterprise rates must significantly handicap the Government's ability to recruit and retain well-qualified persons.

Before determining that special rates are necessary, CSC must find that adequate attention has been given to relevant factors other than pay, such as conducting an adequate recruiting program, offering career-conditional appointments, establishing training programs, and improving working conditions.

When the Commission finds that the Government is handicapped in recruitment and retention and valid pay information shows that private enterprise rates are 10 percent or more

above the statutory rates, the Commission may conclude without further investigation that the handicap is due to the difference in pay rates.

In VA, a hospital having a recruitment problem because of higher private sector salaries must file a request along with supportive evidence for special rates through administrative channels to VA's Assistant Administrator for Personnel. If the request is approved and involves a professional position (for example, pharmacist or physical therapist), the Assistant Administrator sends it directly to CSC headquarters for approval. If the request involves a nonprofessional position (for example, licensed practical nurse, nursing assistant, or radiology technician), the request is returned to the hospital for submission to the appropriate CSC regional office for approval.

Title 38 special rate provisions

Section 4106 of title 38 and related regulations authorize VA to adjust the pay scale of those DM&S nurses when the pay relationships are causing recruitment and retention problems.

Specifically, pay may be adjusted when it is determined that, in a given area or location, (1) enough eligibles cannot be secured at the existing minimum rate of the grade(s) and (2) enough eligibles might be secured by increasing the minimum rate to one of the established step rates within the grade.

USE OF SPECIAL RATES BY VA HOSPITALS

On June 30, 1976, there were 36 facilities for which special hiring rates have been authorized for DM&S nurses. In addition, as of the same date there were 25 facilities or geographical areas for which special salary rates for certain GS health care occupations were in effect.

Title 5 authority

During the past 8 fiscal years--1969 to 1976--VA hospitals have made only 85 requests for special rates for GS health care occupations. These requests are summarized on the following page.

Fiscal year	Number of title 5 special rate requests			
	Total requests submitted	Approved by VA and CSC	Disapproved by VA	Disapproved by CSC
1969	12	2	10	0
1970	16	12	0	4
1971	12	5	5	2
1972	3	2	0	1
1973	11	5	2	4
1974	12	5	3	4
1975	9	3	3	3
1976	10	6	3	1
Total	85	40	26	19

Thus, the title 5 special rate authorities have apparently not been used frequently during the past 8 years by the 171 hospitals in VA's health care system. Officials at the VA hospitals we reviewed indicated that special rate requests were not submitted because the causes of recruitment and retention problems did not justify using the title 5 authority.

VA hospitals in metropolitan areas tend to use the special rate authority more often than those in small towns or rural areas. For example, only 3 of the 12 hospitals reviewed had made use of special rates. All three--Long Beach, Brentwood, and West Haven--are located close to metropolitan areas. This situation probably reflects the need for more wage competitiveness in metropolitan areas.

Reasons given by VA and CSC for denying special rate requests were: (1) facts submitted by the hospital did not reflect recruitment or retention problems and (2) enough personnel were available to fill vacancies without special rates.

Title 38 authority

From November 1974 to June 1976, 12 VA hospitals submitted special rate requests to VA's central office for registered nurses. Of these requests, two were approved as requested, nine were approved with some adjustments (that is, certain registered nurse grade levels included in the request were not approved or the approved pay rates were lower than those requested), and one was disapproved. According to VA records, the primary reasons for title 38 disapprovals were similar to those for title 5.

Officials at the VA hospitals we reviewed said that special rate requests were not submitted because recruitment or retention problems could not be directly related to VA salaries being lower than those paid by private sector facilities.

At the Long Beach VA hospital--where special hiring rates were used--use of this authority had apparently been effective in reducing or alleviating recruiting problems caused by an adverse pay relationship with the private sector. CSC headquarters and San Francisco Regional Office officials agreed that title 5 authorities have been effective in addressing the problems they were designed to solve.

The failure of the Federal pay system to achieve comparability in various localities may require long-term use of these authorities to alleviate problems inherent in the system. In our opinion, special rate authority should be reserved to correct occasional, temporary anomalies between Federal and private sector rates, not to correct problems caused by a salary structure which is too rigid to provide reasonable comparability.

Some VA hospital officials felt that the process to get approval for special rates took too long. VA officials gave the following reasons for delays in processing special rate requests: (1) other assignments at VA's central office have higher priority and (2) data submitted by hospitals is incomplete. CSC officials added the following reasons for delays in GS special rates: (1) the need for each VA hospital to submit detailed justification for special rates to the central office and (2) CSC's need for current comparative data to adequately review the request.

CONCLUSIONS

If geographical recruitment and retention problems can be directly related to an adverse pay relationship with the private sector, a VA hospital can request that special hiring rates be approved to help alleviate the problems. However, these authorities have been used sparingly by the 12 VA hospitals we visited. This indicates that most recruitment and retention problems within DM&S cannot be directly related to pay. When special rates were authorized, they were apparently effective in reducing or alleviating the problems.

CHAPTER 6

OVERALL CONCLUSIONS AND RECOMMENDATION TO THE CONGRESS

CONCLUSIONS

The Veterans Administration is not having widespread problems in recruiting and retaining health care personnel. The problems that we did identify are a result of the difference between the pay systems used to employ hospital workers--primarily between the Federal Wage System on one hand and the General Schedule and title 38 on the other. Consequently, sometimes FWS minimum pay exceeds GS minimum pay for professionals, GS supervisors receive less pay than their FWS subordinates, and GS employees transfer to the FWS system for higher pay. Although these conditions did not seem to contribute to overwhelming recruitment and retention problems, they have created morale problems.

Moreover, FWS employees often earn much more than their private sector counterparts, a situation which may give the Federal Government an unfair advantage in competing for workers with the private sector.

RECOMMENDATION TO THE CONGRESS

We believe that any resolution of the problem should be for the entire Federal Government, not just for employees in a single Federal agency. Piecemeal actions to deal with pay problems in one agency would only create further inequities for employees in other agencies.

We also believe that the recommendations of the President's Panel on Federal Compensation and in our prior reports regarding pay setting and adjusting--multischedules and determining pay by locality for many GS employees and eliminating the legislative restraints to achieving comparability with the non-Federal sector for FWS employees--have merit and should be implemented.

- - - -

Because of time constraints, we asked VA for informal comments on a draft of this report, and the comments have been included in this report as appropriate.

Formal agency comments will be forthcoming when VA complies with section 4(h) of Public Law 94-123. This provision requires the Administrator of Veterans Affairs to submit reports to the appropriate House and Senate committees specifying the effect on the administration and achievement of the mission of the Department of Medicine and Surgery of the alternative courses and recommended course of action identified in our report. The act requires these reports no later than 120 days after the date of our report.

APPENDIX I

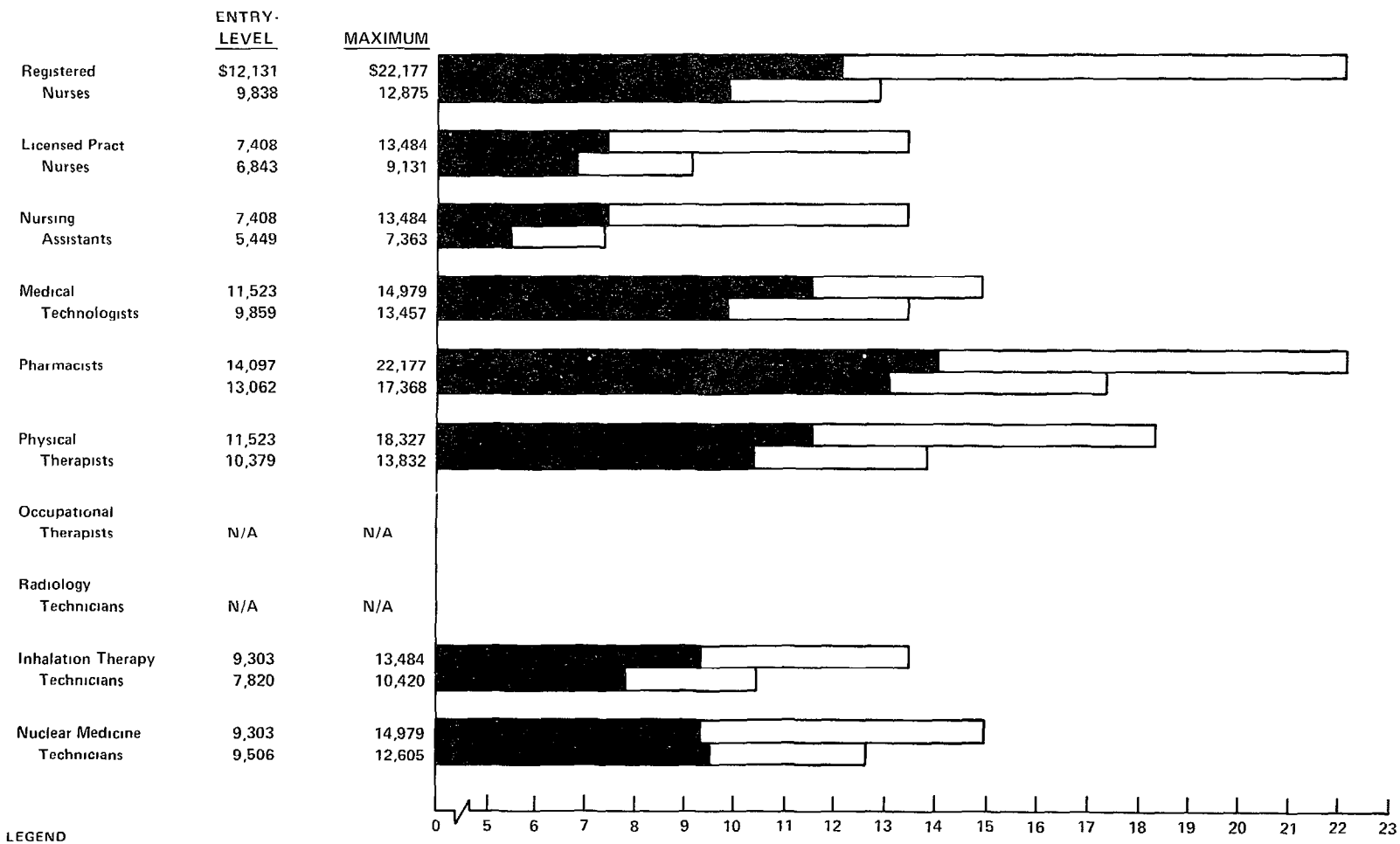
VA HOSPITALS REVIEWED

	Number of beds
Facilities over 500 beds:	
Atlanta, Georgia (note a)	550
Long Beach, California (note a)	1,591
Salt Lake City, Utah (note a)	506
West Haven, Connecticut (note a)	725
Facilities under 500 beds:	
Fort Harrison, Montana	160
Lake City, Florida	363
Phoenix, Arizona	299
Providence, Rhode Island (note a)	353
Psychiatric facilities:	
Brentwood, California (note a)	470
Brockton, Massachusetts (note a)	897
Fort Lyon, Colorado	600
Murfreesboro, Tennessee	852

a/Hospitals affiliated with medical schools.

COMPARISON OF VA AND NON-FEDERAL SALARIES

ATLANTA VA HOSPITAL



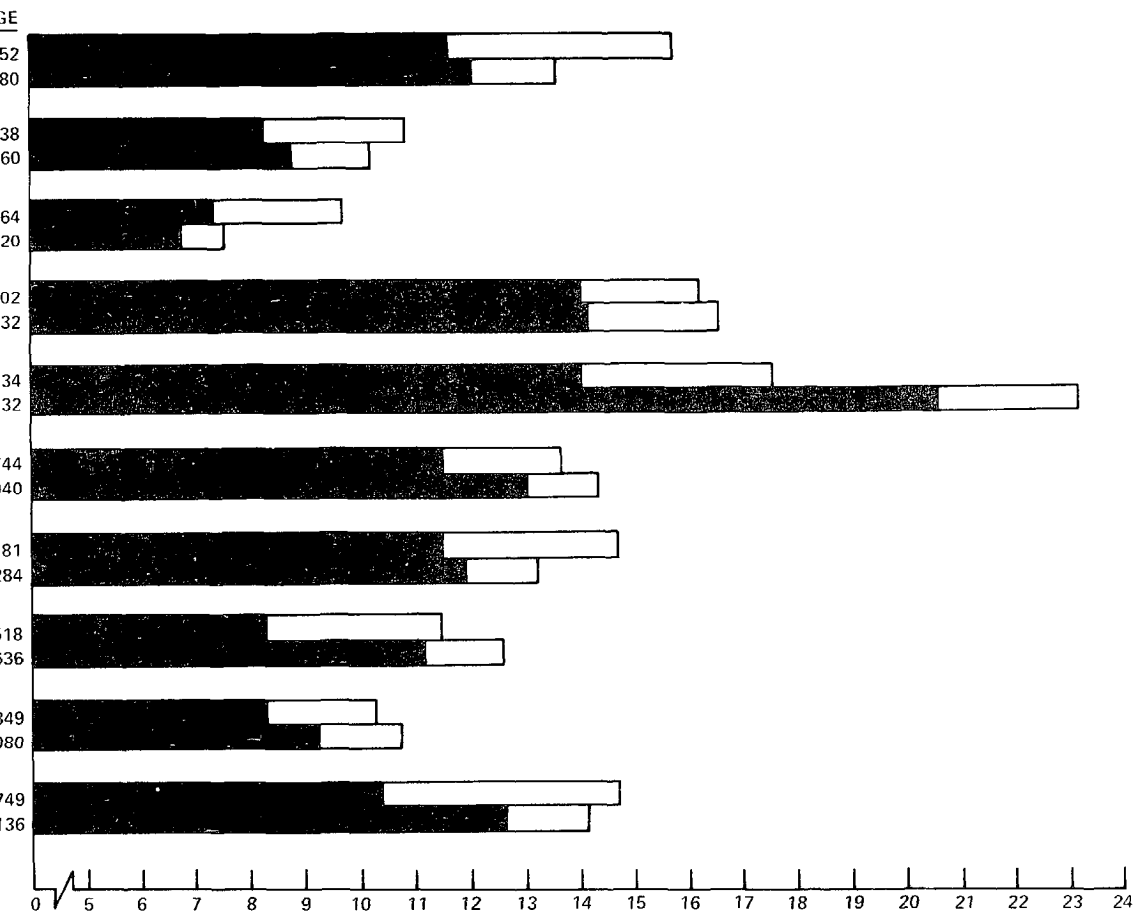
NOTE Top row of salaries for each occupation is for VA
Bottom row is for private sector
VA salaries do not always agree with titles 5 and 38 pay schedules due to averaging

APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

LONG BEACH VA HOSPITAL

	ENTRY-LEVEL	AVERAGE
Registered Nurses	$11,770 12,096	$15,852 13,680
Licensed Pract Nurses	8,316 8,868	10,938 10,260
Nursing Assistants	7,408 6,840	9,764 7,620
Medical Technologists	14,097 14,172	16,202 16,632
Pharmacists	14,097 20,640	17,634 23,232
Physical Therapists	11,523 13,056	13,744 14,040
Occupational Therapists	11,523 11,928	14,781 13,284
Radiology Technicians	8,316 11,172	11,518 12,636
Inhalation Therapy Technicians	8,316 9,228	10,349 10,080
Nuclear Medicine Technicians	10,370 12,060	14,749 14,136



LEGEND

- Represents entry level salaries paid
- Represents average salaries paid

NOTE Top row of salaries for each occupation is for VA
Bottom row is for private sector

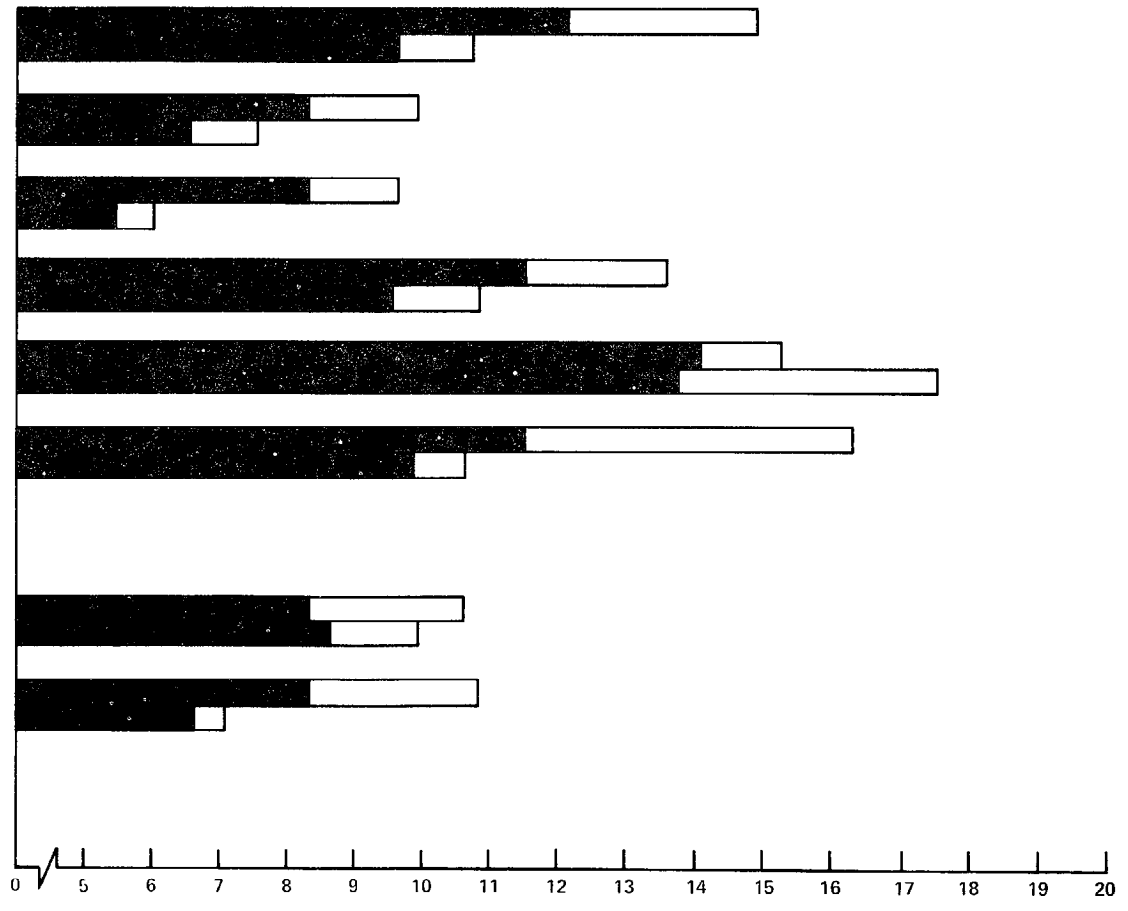
VA salaries do not always agree with titles 5 and 38 pay schedules due to averaging

APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

SALT LAKE CITY VA HOSPITAL

	ENTRY-LEVEL	AVERAGE
Registered Nurses	$12,131	$14,904
	9,604	10,754
Licensed Pract Nurses	8,316	9,970
	6,566	7,558
Nursing Assistants	8,316	9,693
	5,408	6,005
Medical Technologists	11,523	13,589
	9,595	10,826
Pharmacists	14,097	15,292
	13,760	17,547
Physical Therapists	11,523	16,329
	9,866	10,650
Occupational Therapists	N/A	N/A
Radiology Technicians	8,316	10,645
	8,648	9,994
Inhalation Therapy Technicians	8,316	10,817
	6,604	7,094
Nuclear Medicine Technicians	N/A	N/A



LEGEND

- Represents entry-level salaries paid
- Represents average salaries paid

Note Top row of salaries for each occupation is for VA. Bottom row is for private sector.

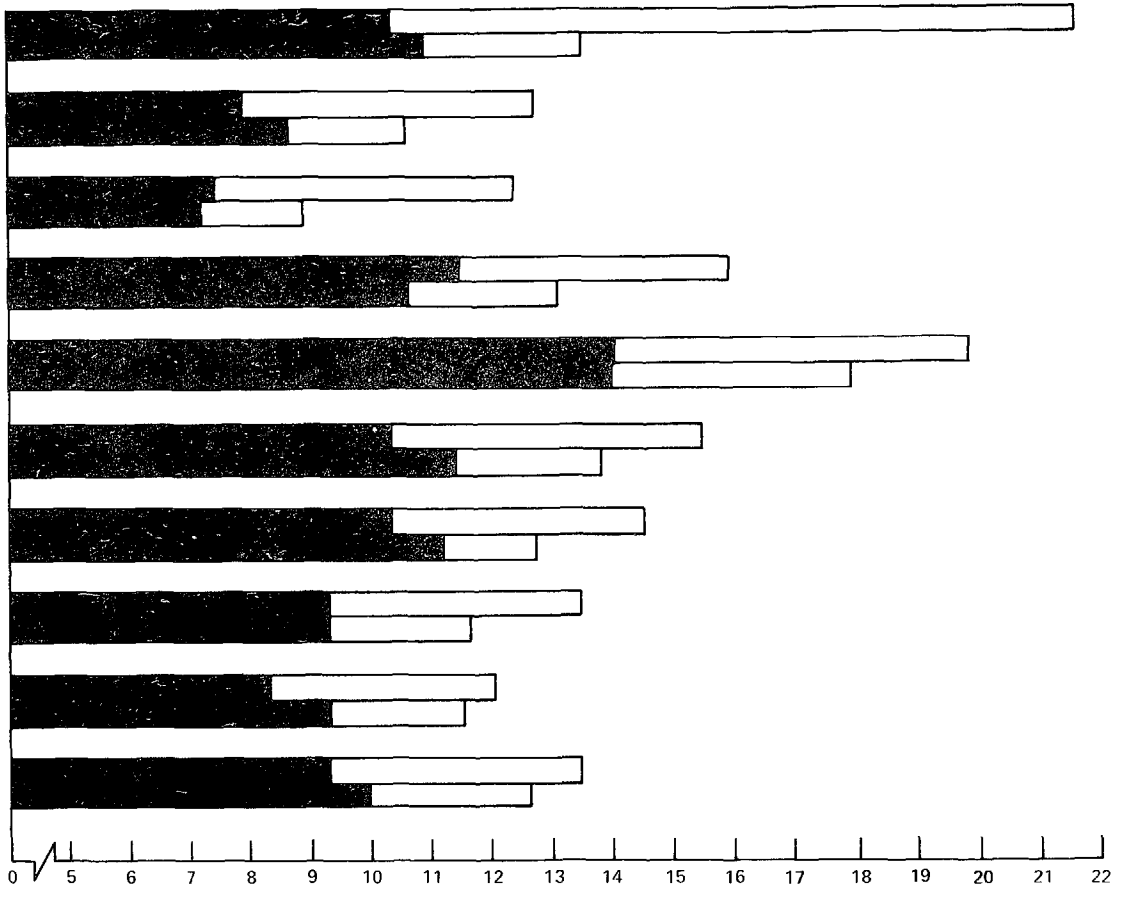
VA salaries do not always agree with titles 5 and 38 pay schedules due to averaging.

APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

WEST HAVEN VA HOSPITAL

	ENTRY LEVEL	MAXIMUM
Registered Nurses	$10,370 10,941	$21,608 13,562
Licensed Pract Nurses	7,902 8,674	12,792 10,608
Nursing Assistants	7,408 7,218	12,446 8,923
Medical Technologists	11,523 10,670	15,977 13,146
Pharmacists	14,097 14,040	19,901 17,950
Physical Therapists	10,370 11,419	15,507 13,874
Occupational Therapists	10,370 11,253	14,567 12,771
Radiology Technicians	9,303 9,339	13,484 11,690
Inhalation Therapy Technicians	8,316 9,360	12,093 11,565
Nuclear Medicine Technicians	9,303 9,963	13,484 12,626



LEGEND

– Represents entry level salaries paid

– Represents maximum salaries paid

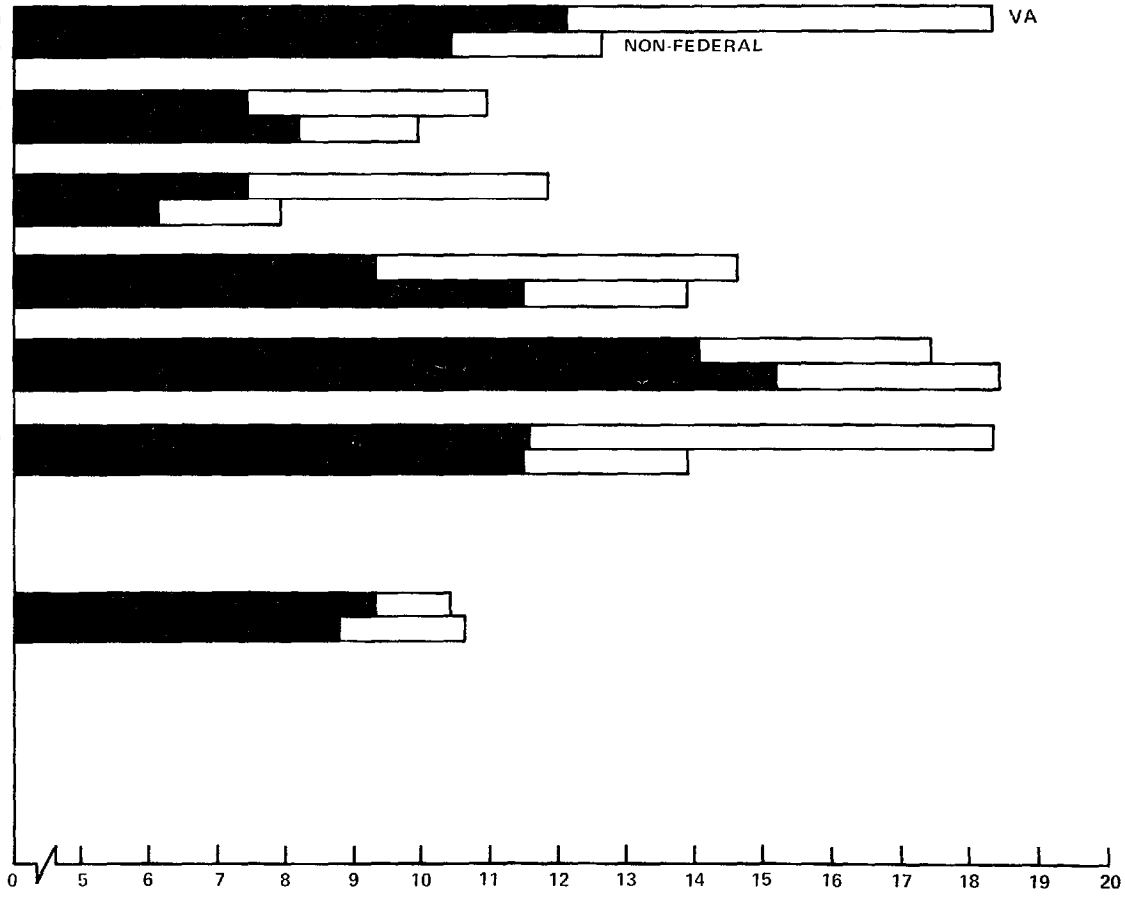
NOTE Top row of salaries for each occupation is for VA
Bottom row is for private sector
VA salaries do not always agree with titles 5 and 38 pay schedules due to averaging

APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

FORT HARRISON VA HOSPITAL

	ENTRY-LEVEL	MAXIMUM
Registered Nurses	$12,131 10,421	$18,369 12,646
Licensed Pract. Nurses	$7,408 8,174	$10,910 9,922
Nursing Assistants	7,408 6,115	11,845 7,925
Medical Technologists	9,303 11,461	14,666 13,894
Pharmacists	14,097 15,205	17,427 18,450
Physical Therapists	11,523 11,461	18,369 13,894
Occupational Therapists	N/A	N/A
Radiology Technicians	9,303 8,798	10,424 10,650
Inhalation Therapy Techs	N/A	N/A
Nuclear Medicine Technicians	N/A	N/A



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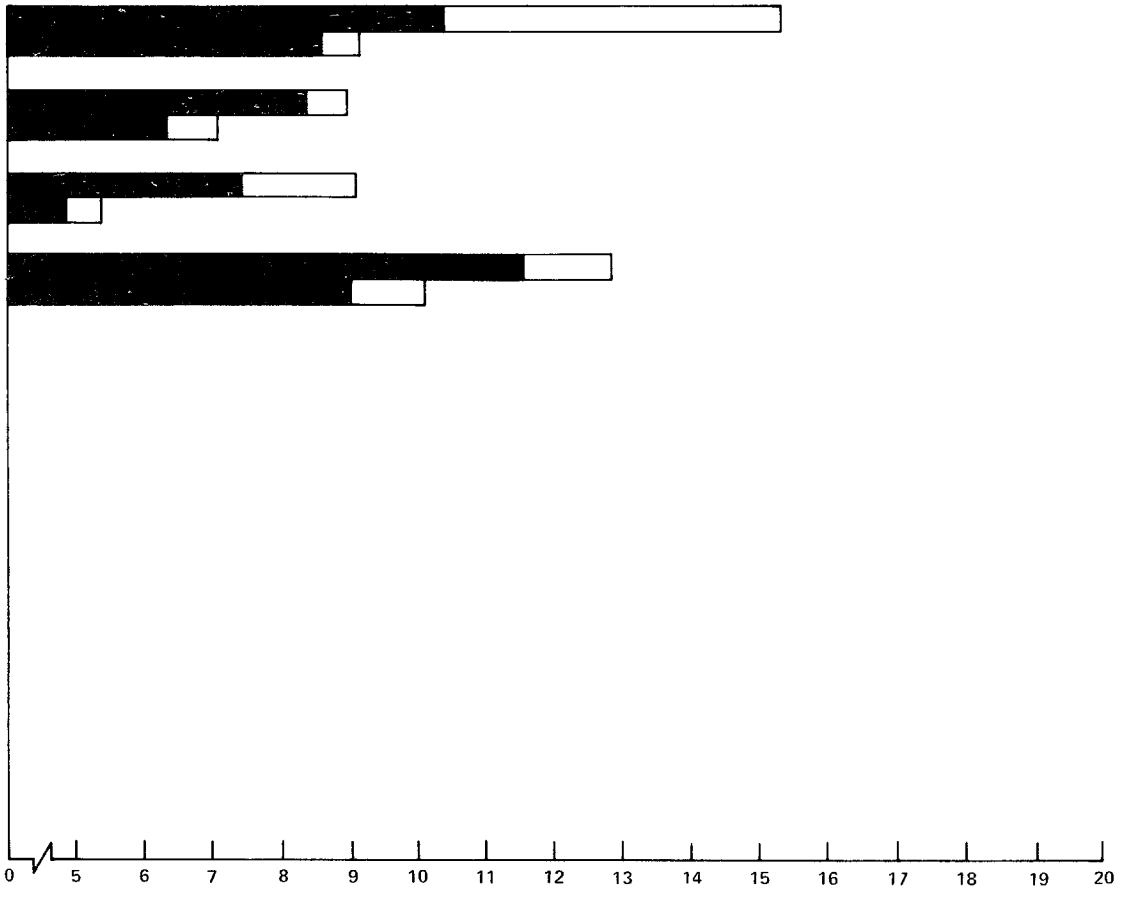
APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

LAKE CITY VA HOSPITAL

	ENTRY-LEVEL	AVERAGE
Registered Nurses	$10,370 8,586	$15,308 9,124
Licensed Pract Nurses	8,316 6,322	8,930 7,086
Nursing Assistants	7,408 4,851	9,056 5,359
Medical Technologists	11,523 9,000	12,826 10,011
Pharmacists	N/A	N/A
Physical Therapists	N/A	N/A
Occupational Therapists	N/A	N/A
Radiology Technicians	N/A	N/A
Inhalation Therapy Technicians	N/A	N/A
Nuclear Medicine Technicians	N/A	N/A



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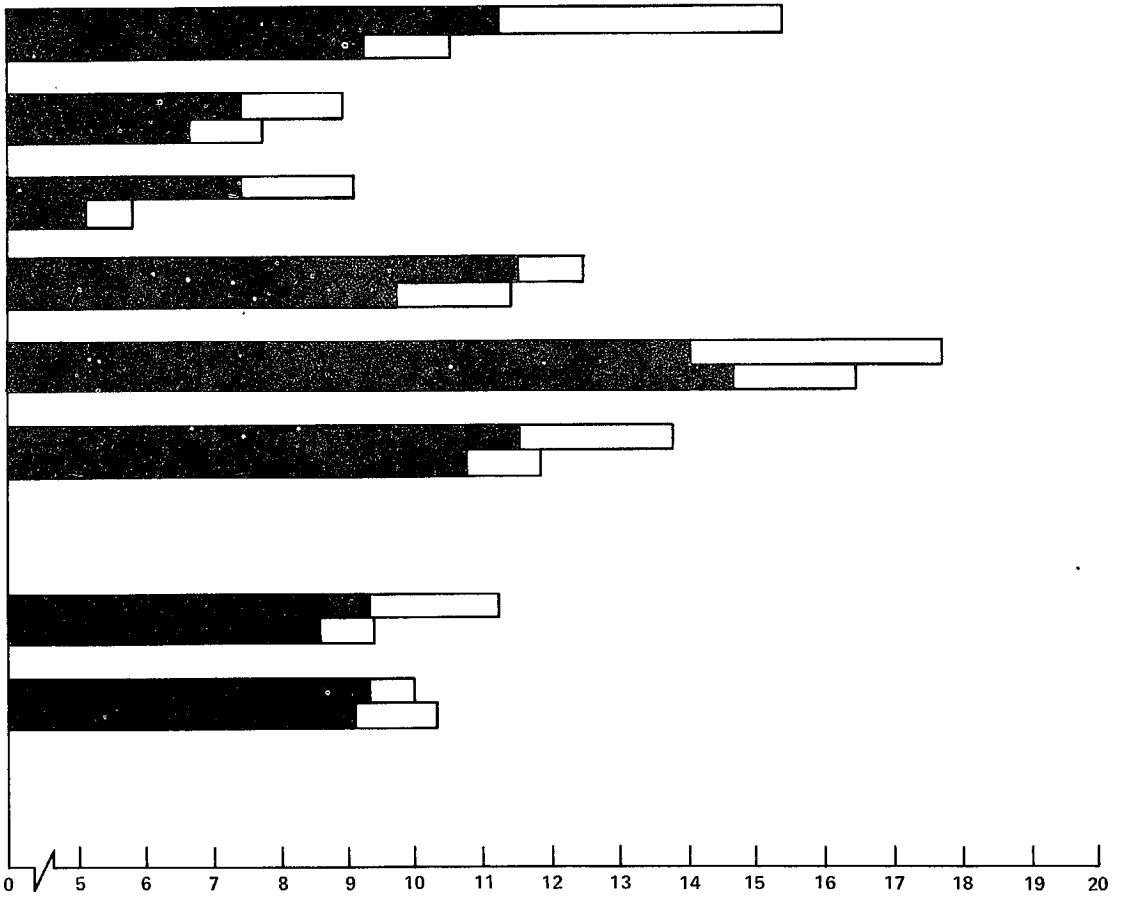
APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

PHOENIX VA HOSPITAL

	ENTRY-LEVEL	AVERAGE
Registered Nurses	$11,251	$15,489
	9,258	10,560
Licensed Pract Nurses	7,408	8,992
	6,684	7,752
Nursing Assistants	7,408	9,125
	5,124	5,808
Medical Technologists	11,523	12,518
	9,744	11,448
Pharmacists	14,097	17,734
	14,700	16,500
Physical Therapists	11,523	13,799
	10,740	11,868
Occupational Therapists	N/A	N/A
Radiology Technicians	9,303	11,250
	8,592	9,408
Inhalation Therapy Technicians	9,303	10,009
	9,120	10,308
Nuclear Medicine Technicians	N/A	N/A



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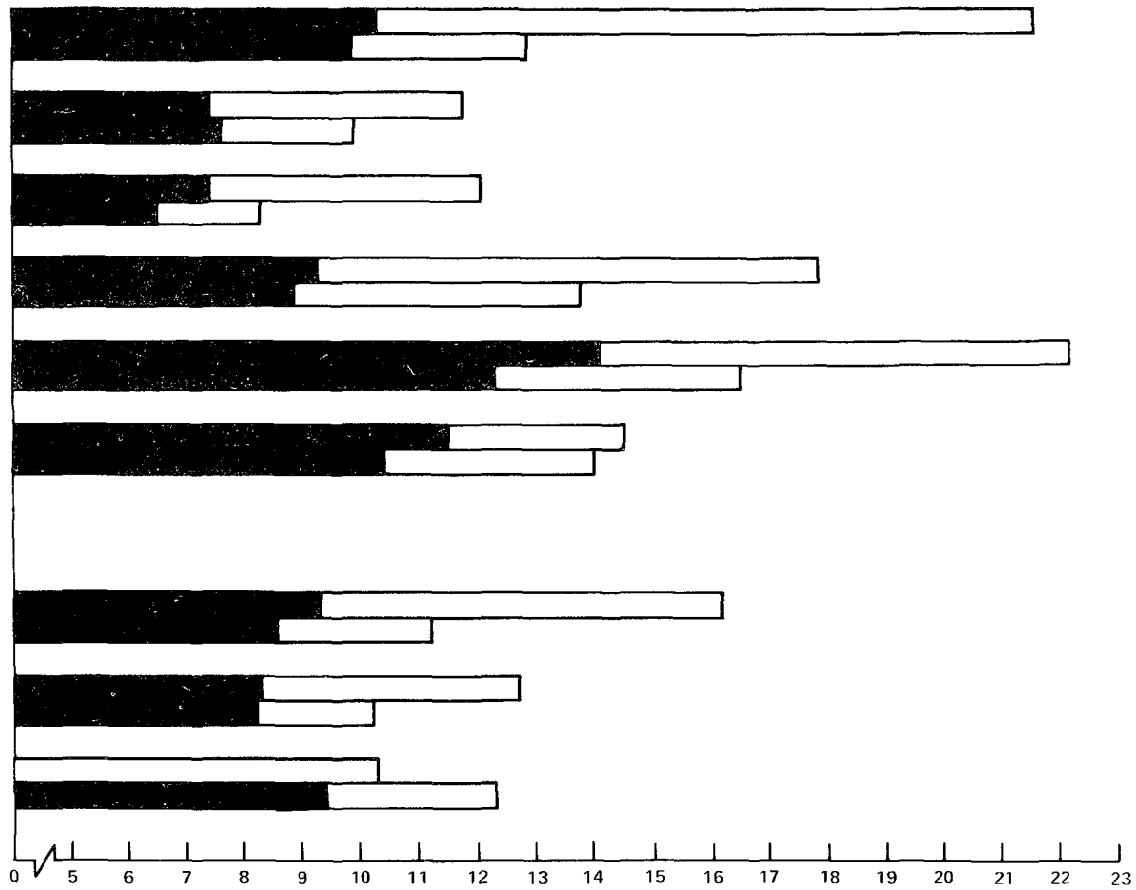
APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

PROVIDENCE VA HOSPITAL

	ENTRY-LEVEL	MAXIMUM
Registered Nurses	$10,370 9,889	$21,608 12,852
Licensed Pract Nurses	7,408 7,604	11,783 9,943
Nursing Assistants	7,408 6,518	12,093 8,320
Medical Technologists	9,303 8,826	17,857 13,821
Pharmacists	14,097 12,311	22,177 16,550
Physical Therapists	11,523 10,433	14,567 14,002
Occupational Therapists	N/A	N/A
Radiology Technicians	9,303 8,600	16,163 11,296
Inhalation Therapy Technicians	8,316 8,283	12,792 10,236
Nuclear Medicine Technicians	10,370 9,414	10,370 12,356



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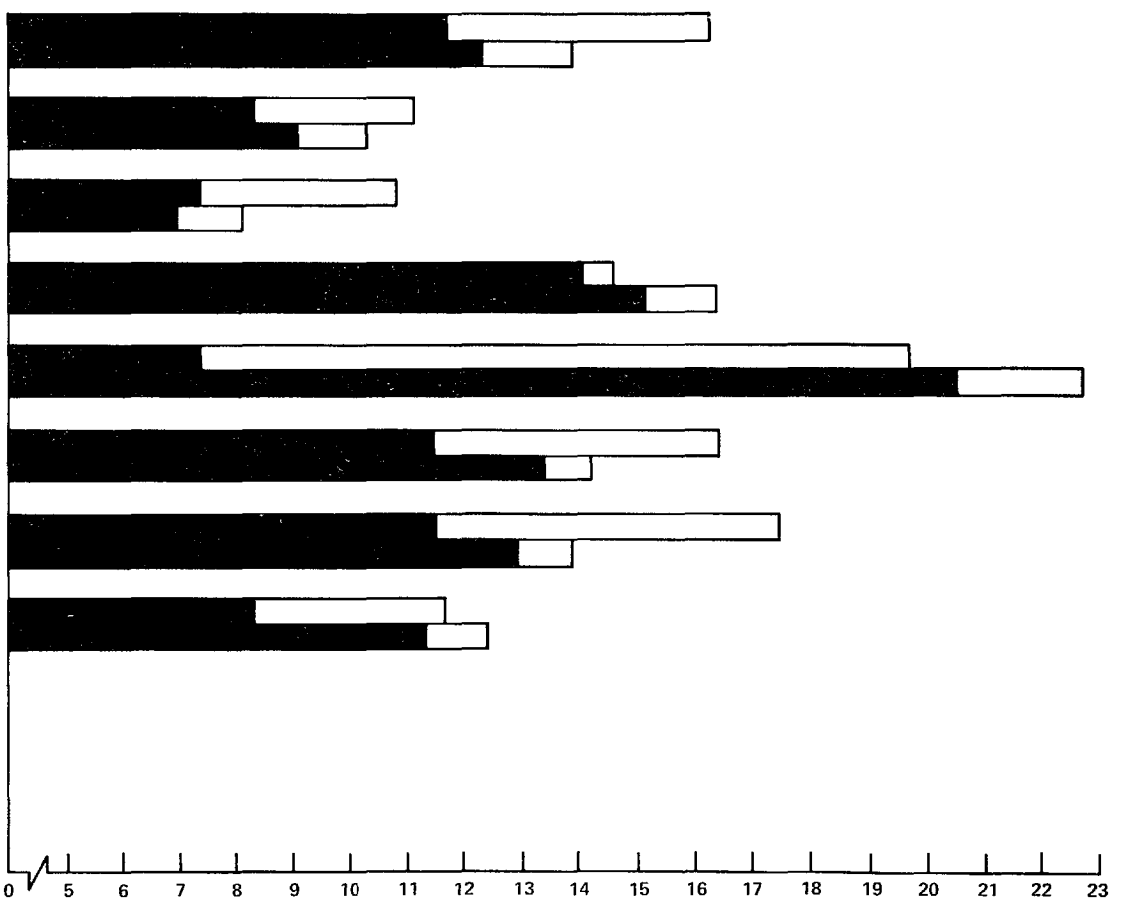
APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

BRENTWOOD VA HOSPITAL

	ENTRY-LEVEL	AVERAGE
Registered Nurses	$11,770 12,324	$16,307 13,908
Licensed Pract. Nurses	8,316 9,096	11,171 10,332
Nursing Assistants	7,408 6,972	10,815 8,148
Medical Technologists	14,097 15,180	14,601 16,488
Pharmacists	14,097 20,580	19,732 22,776
Physical Therapists	11,523 13,476	16,485 14,232
Occupational Therapists	11,523 12,960	17,051 13,956
Radiology Technicians	8,316 11,364	11,699 12,408
Inhalation Therapy Technicians	N/A	N/A
Nuclear Medicine Technicians	N/A	N/A



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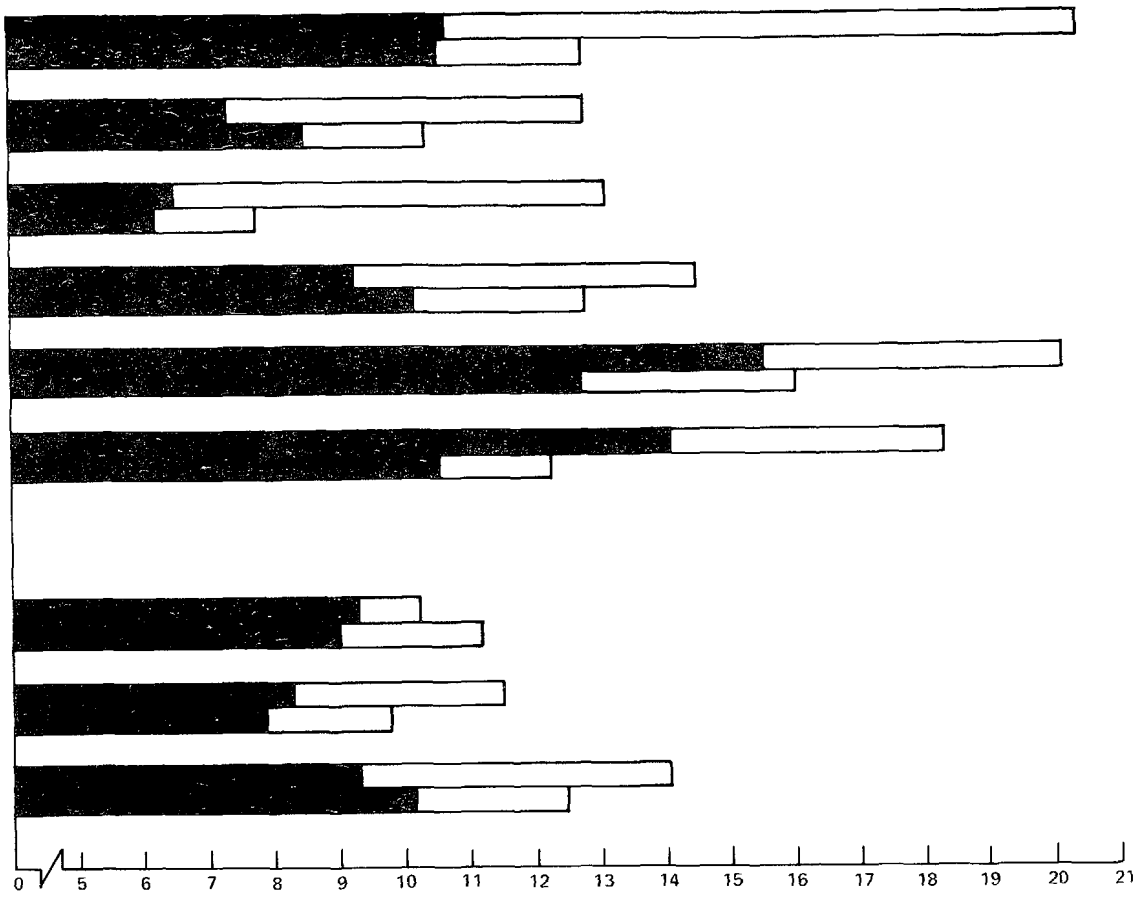
APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

BROCKTON VA HOSPITAL

	ENTRY-LEVEL	MAXIMUM
Registered Nurses	$10,716 10,591	$20,425 12,807
Licensed Pract Nurses	7,408 8,532	12,839 10,417
Nursing Assistants	6,572 6,269	13,188 7,869
Medical Technologists	9,303 10,229	14,583 12 829
Pharmacists	15,524 12,764	20,185 16,009
Physical Therapists	14,097 10,568	18,354 12,266
Occupational Therapists	N/A	N/A
Radiology Technicians	9,303 9,143	10,289 11,229
Inhalation Therapy Technicians	8,316 7,943	11,531 9,831
Nuclear Medicine Technicians	9,303 10,161	14,082 12,491



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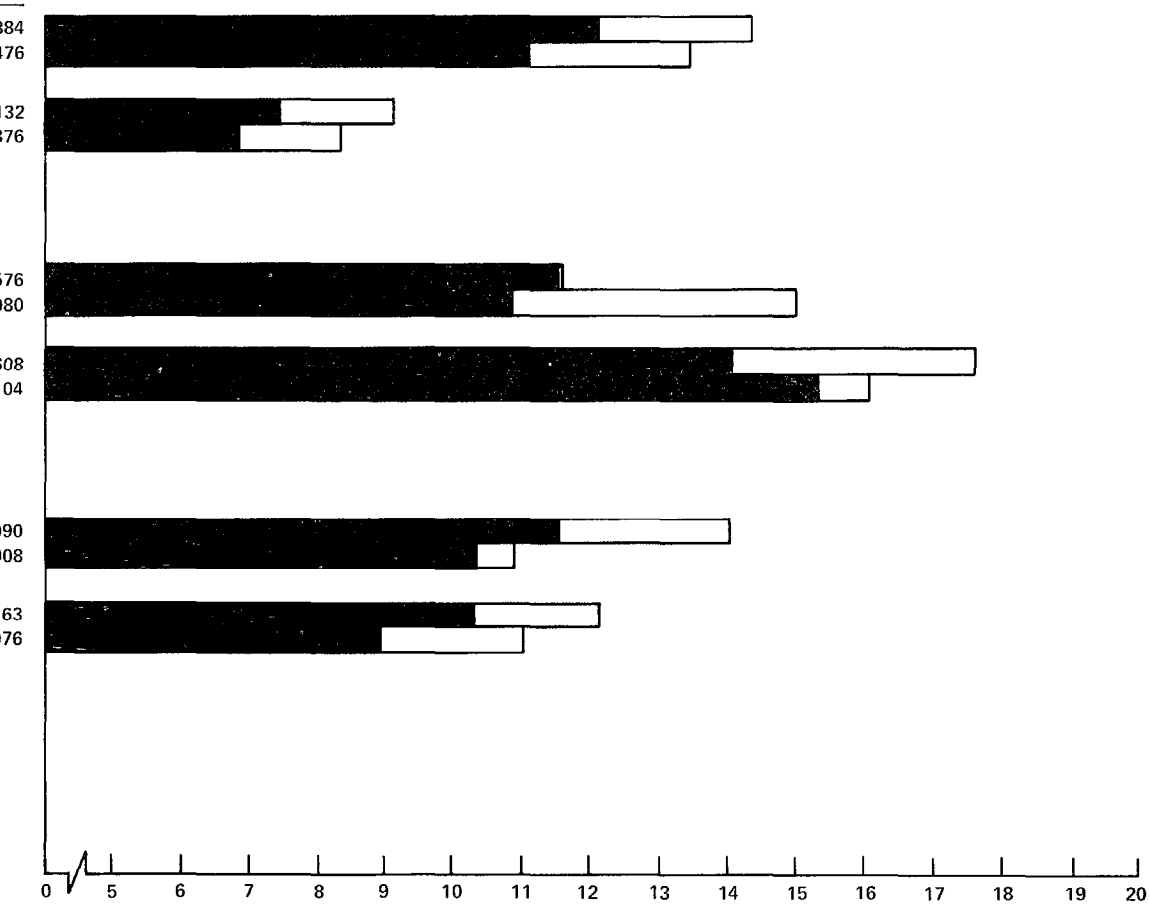
APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

FORT LYON VA HOSPITAL

	ENTRY-LEVEL	AVERAGE
Registered Nurses	$12,131	$14,384
	11,136	13,476
Licensed Pract Nurses	7,407	9,132
	6,840	8,376
Nursing Assistants	N/A	N/A
Medical Technologists	11,523	11,576
	10,884	15,080
Pharmacists	14,097	17,608
	15,324	16,104
Physical Therapists	N/A	N/A
Occupational Therapists	11,523	14,090
	10,368	10,908
Radiology Technicians	10,373	12,163
	8,964	11,076
Inhalation Therapy Technicians	N/A	N/A
Nuclear Medicine Technicians	N/A	N/A



LEGEND

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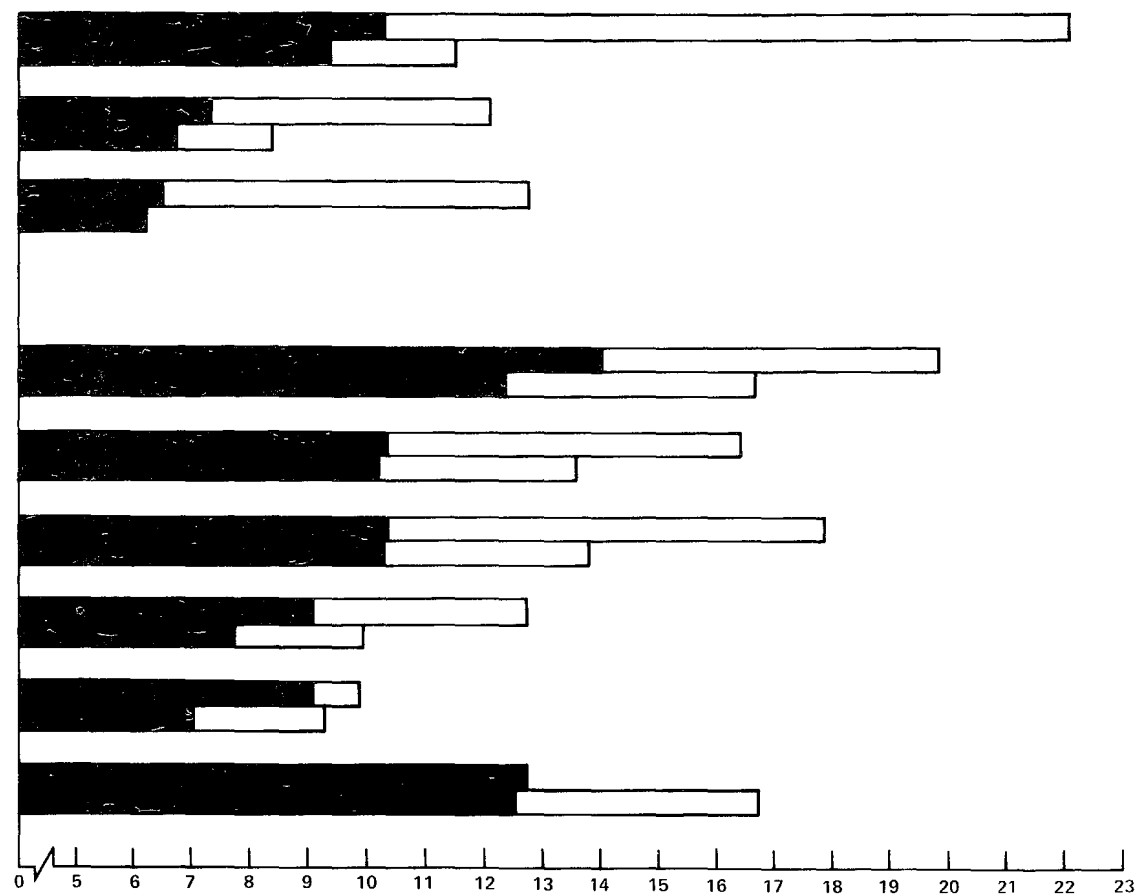
APPENDIX II

COMPARISON OF VA AND NON-FEDERAL SALARIES

MURFREESBORO VA HOSPITAL

	ENTRY-LEVEL	MAXIMUM
Registered Nurses	$10,370 9,497	$22,146 11,568
Licensed Pract Nurses	7,408 6,791	12,163 8,475
Nursing Assistants	6,572 5,046	12,858 6,289
Medical Technologists	N/A	N/A
Pharmacists	14,097 12,400	19,874 16,703
Physical Therapists	10,370 10,216	16,485 13,614
Occupational Therapists	10,370 10,344	17,898 13,812
Radiology Technicians	9,303 7,780	12,735 9,872
Inhalation Therapy Technicians	9,303 7,050	9,976 9,306
Nuclear Medicine Technicians	12,763 12,584	12,763 16,786



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APPENDIX II

GEOGRAPHICAL COMPARISON OF PREMIUM AND OVERTIME RATES OF PAY IN VA AND NON-FEDERAL FACILITIES

Area	Overtime rate	Shift differential	Sunday pay	Holiday pay	Standby or on-call pay
Veterans Administration (note a):					
GS employees	1.5 x base	10% of base ($.55/hr.)	1.25 x base	2 x base	5-25% base ($0.28 to $1.38/hr.)
Non-Federal health facilities:					
Long Beach	1.5 x base	$0.32/hr.	Not paid	Not paid	25% of base
Brentwood	1.5 x base	$0.37/hr.	Not paid	Not paid	$0.25/hr.
Phoenix	1.5 x base	8% of base	Not paid	Not paid	$1.25/hr.
Atlanta	1.5 x base	8% of base	Not paid	2 x base	25% of base
Lake City	1.5 x base	$0.56/hr.	Not paid	Not paid	$0.83/hr.
Murfreesboro	1.5 x base	10% of base	Not paid	Not paid	No data
Brockton	1.5 x base	$0.51/hr.	Not paid	1.5 x base	No data
Providence	1.5 x base	$0.31/hr.	No data	No data	No data
West Haven	1.5 x base	$0.50/hr.	7% of base	1.5 x base	$2.21/hr.
Fort Harrison	1.5 x base	$0.30/hr.	No data	1.5 x base	No data
Salt Lake City	1.5 x base	$0.13/hr.	Not paid	No data	$0.93/hr.
Fort Lyon	1.5 x base	5% of base	1.5 x base	1.5 x base	Not paid

a/For comparative purposes, we have computed VA hourly rates using a GS-5, step 8--the average grade and step of GS employees in DM&S. The hourly salary is $5.52.

APPENDIX III

LOCATIONS AND OCCUPATIONS

WITH GEOGRAPHICAL SHORTAGES

	Occupations	
VA hospitals	Discussions with hospital officials (note a)	Shortages of applicants on CSC registers (note b)
Long Beach	Physical therapist Nuclear medicine technician Licensed practical nurse	Physical therapist Nuclear medicine technician Licensed practical nurse
Brentwood	Physical therapist	Occupational therapist
Phoenix	Licensed practical nurse	None
Atlanta	Physical therapist Occupational therapist	Physical therapist Nuclear medicine technician
Lake City	Physical therapist	Physical therapist
Murfreesboro	Physical therapist	Medical radiology technician Nuclear medicine technician Physical therapist
Brockton	None	Data not available
West Haven	None	Data not available
Providence	Occupational therapist	Medical radiology technician Physical therapist
Salt Lake City	Licensed practical nurse	Licensed practical nurse Inhalation therapy technician
Fort Harrison	Licensed practical nurse Physical therapist	Physical therapist
Fort Lyon	Registered nurse (note c) Physical therapist Licensed practical nurse Inhalation therapy technician	Physical therapist Licensed practical nurse

a/Discussions with VA hospital/service officials concerning occupations where shortages hinder recruiting efforts.

b/The lack of applicants provided to a selecting official because CSC registers contained too few names to meet the sliding-scale requirements contained in Federal Personnel Manual Supplement 332-71, dated May 10, 1970 (e.g., 3 names for 1 position, 4 names for 2 positions, 5 names for 3 positions, 8 names for 4 positions, etc.).

c/Registered nurses are not recruited from Civil Service registers.

PRINCIPAL VA OFFICIALS RESPONSIBLE FOR ADMINISTERING ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
ADMINISTRATOR OF VETERANS AFFAIRS:		
J. M. Cleland	Mar. 1977	Present
R. L. Roudebush	Oct. 1974	Feb. 1977
DEPUTY ADMINISTRATOR:		
R. H. Wilson	Mar. 1977	Present
Vacant	Jan. 1977	Mar. 1977
O. W. Vaughn	Nov. 1974	Jan. 1977
CHIEF MEDICAL DIRECTOR:		
J.D. Chase, M.D.	Apr. 1974	Present

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