

Why GAO Did This Study

DOD invests in a number of incentives to recruit and retain its nearly 15,000 military physicians and dentists, such as providing a tuition-free education to medical and dental students who in return agree to serve as military physicians or dentists for a specific amount of time.

Section 597 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 included a provision for GAO to review military physicians' and dentists' compensation, among other things. This report addresses, among other objectives, (1) how compensation for military physicians and dentists compared to private sector civilians with comparable skills in 2017, and (2) the extent to which DOD has developed an approach to recruit and retain military physicians and dentists through a package of incentives that reflect key principles of effective human capital management. GAO compared military and civilian cash compensation for 2017—the most recent year of data amongst data sources, assessed incentive packages against key principles of human capital management, and conducted surveys and held focus groups to obtain the perspectives of current military medical students and residents regarding military service obligations.

What GAO Recommends

GAO recommends that DOD should collect and use information on (1) replacement costs of military physicians and dentists, (2) retention, and (3) private sector civilian wages to inform its investment decisions. In commenting on a draft of this report, DOD concurred with these recommendations.

View [GAO-20-165](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or farrellb@gao.gov

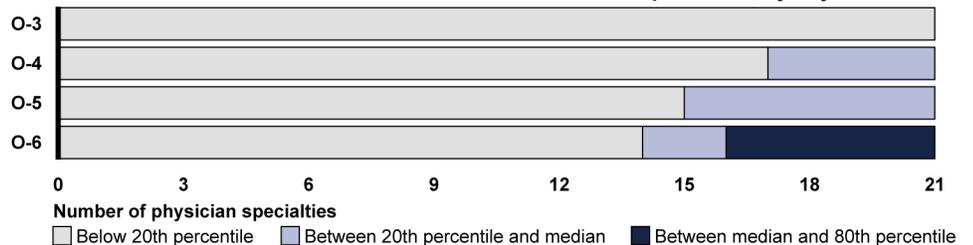
DEFENSE HEALTH CARE

DOD Should Collect and Use Key Information to Make Decisions about Incentives for Physicians and Dentists

What GAO Found

In 2017, cash compensation for military physicians and dentists in most of the 27 medical and dental specialties GAO reviewed was generally less than the median compensation of private sector civilians, but the Department of Defense (DOD) provides substantial deferred and noncash benefits, such as retirement pensions and tuition-free education, whose value to servicemembers is difficult to determine. GAO found that for 21 of the 27 physician and dental specialties, the maximum cash compensation was less than the private sector civilian median within four officer pay grades (O-3 to O-6) (see figure for number of physician specialties by pay grade). Moreover, cash compensation for military physicians and dentists was less than the private sector civilian median at key retention points, such as after physicians and dentists fulfill their initial active-duty service obligations.

Number of Physician Specialties Where Range of Military Cash Compensation is Above or Below Selected Percentiles of Private Sector Civilian Cash Compensation, by Pay Grade



DOD recruits and retains physicians and dentists through a package of incentives, including tuition-free medical or dental school and special and incentive pays, such as multi-year retention bonuses. However, DOD does not consistently collect information related to the following three key principles of effective human capital management to help inform investment decisions in its package of recruitment and retention incentives:

- **Replacement costs.** DOD does not consistently collect information on replacement costs of military physicians and dentists. However, DOD has previously identified replacement costs as a factor in assessing the appropriateness of incentive pays.
- **Current and historical retention information.** DOD does not consistently collect information on retention of physicians and dentists, specifically acceptance rates for retention bonuses, to help assess the effectiveness of these bonuses.
- **Private sector civilian wages.** DOD does not consistently collect information on private sector civilian wages. Officials stated that civilian wages are not a driving factor when considering adjustments to special and incentive pays, in part because DOD cannot always match civilian sector compensation for military physicians and dentists.

By collecting and using this information to help inform its decision-making, DOD would be better positioned to assess the effectiveness of its incentives to recruit and retain military physicians and dentists and make sound investment decisions for the future.