

**DEPARTMENT OF THE TREASURY****Fiscal Service****Federal Debt Collection and Discount and Rebate Evaluation**

**AGENCY:** Financial Management Service, Fiscal Service, Treasury.

**ACTION:** Notice of rate for use in Federal debt collection and discount and rebate evaluation.

**SUMMARY:** Pursuant to Section 11 of the Debt Collection Act of 1982, as amended, (31 U.S.C. 3717), the Secretary of the Treasury is responsible for computing and publishing the percentage rate to be used in assessing interest charges for outstanding debts owed to the Government. Treasury's Cash Management Requirements (1 TFM 6-8000) prescribe use of this rate by agencies as a comparison point in evaluating the cost-effectiveness of a cash discount. In addition, 5 CFR Part 1315.8 of the Prompt Payment rule on "Rebates" requires that this rate be used in determining when agencies should pay purchase card invoices when the card issuer offers a rebate. Notice is hereby given that the applicable rate is 2.00 percent for calendar year 2006.

**DATES:** The rate will be in effect for the period beginning January 1, 2006, and ending on December 31, 2006.

**FOR FURTHER INFORMATION CONTACT:** Inquiries should be directed to the Agency Enterprise Solutions Division, Financial Management Service, Department of the Treasury, 401 14th Street, SW., Washington, DC 20227 (Telephone: 202-874-6650).

**SUPPLEMENTARY INFORMATION:** The rate reflects the current value of funds to the Treasury for use in connection with Federal Cash Management systems and is based on investment rates set for purposes of Pub. L. 95-147, 91 Stat. 1227. Computed each year by averaging Treasury Tax and Loan (TT&L) investment rates for the 12-month period ending every September 30, rounded to the nearest whole percentage, for applicability effective each January 1, the rate is subject to quarterly revisions if the annual average, on a moving basis, changes by 2 percentage points. The rate in effect for the calendar year 2006 reflects the average investment rates for the 12-month period that ended September 30, 2005.

Dated: October 19, 2005.

**Gary Grippo,**

*Assistant Commissioner, Federal Finance.*

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**DEPARTMENT OF VETERANS AFFAIRS****Annual Pay Ranges for Physicians and Dentists of the Veterans Health Administration (VHA)**

**AGENCY:** Department of Veterans Affairs.  
**ACTION:** Notice.

**SUMMARY:** As required by the "Department of Veterans Affairs Health Care Personnel Enhancement Act of 2004" (Pub. L. 108-445, dated December 3, 2004) the Department of Veterans Affairs (VA) is hereby giving notice of annual pay ranges for Veterans Health Administration (VHA) physicians and dentists as prescribed by the Secretary for Department-wide applicability. The inception of these annual pay ranges enhances the flexibility of the Department to recruit, develop, and retain the most highly qualified providers to serve our Nation's veterans and maintain a standard of excellence in the VA healthcare system.

**EFFECTIVE DATES:** Annual pay ranges are effective on January 8, 2006.

**FOR FURTHER INFORMATION CONTACT:** Donna R. Schroeder, Director, Compensation and Classification Service (055), Office of Human Resources Management and Labor Relations, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-9803.

**SUPPLEMENTARY INFORMATION:** Under 38 U.S.C. 7431(e)(1)(A), not less often than once every two years, the Secretary must prescribe for Department-wide applicability the minimum and maximum amounts of annual pay that may be paid to VHA physicians and dentists. Further, 38 U.S.C. 7431(e)(1)(B) allows the Secretary to prescribe separate minimum and maximum amounts of pay for a specialty or assignment. In construction of the annual pay ranges, 38 U.S.C. 7431(c)(4)(A) required the consultation of two or more national surveys of pay for physicians and dentists, as applicable, whether prepared by private, public, or quasi-public entities in order to make a general assessment of the range of pays payable to physicians and dentists. Lastly, 38 U.S.C. 7431(e)(1)(C) states amounts prescribed under paragraph 7431(e) shall be published in the **Federal Register**, and shall not take effect until at least 60 days after date of publication.

**Background**

The "Department of Veterans Affairs Health Care Personnel Enhancement Act of 2004" (Pub. L. 108-445) was signed by the President on December 3, 2004.

The major provisions of the law established a new pay system for Veterans Health Administration (VHA) physicians and dentists consisting of base pay, market pay, and performance pay. While the base pay component is set by statute, market pay is intended to reflect the recruitment and retention needs for the specialty or assignment of a particular physician or dentist at a facility. Further, performance pay is intended to recognize the achievement of specific goals and performance objectives prescribed annually. These three components create a system of pay that is driven by both market indicators and employee performance, while recognizing employee tenure in VHA.

**Discussion**

The Department of Veterans Affairs (VA) performed an extensive search of salary survey data for physicians and dentists. The result was a wealth of information in the field of compensation. Upon completion of the initial review of the data collected, VA utilized those sources which most closely represented VA comparability in the areas of practice setting, employment environment, and hospital/healthcare system. Thus, the Association of American Medical Colleges (AAMC), Hospital and Healthcare Compensation Service (HHCS), Sullivan, Cotter, and Associates (S&C) and Physician Executive Management Center (PEMC), were collectively utilized as benchmarks from which to prescribe annual pay ranges for physicians and dentists across the scope of assignments/specialties within the Department. While aggregating the data, a preponderance of weight was given to those surveys which most directly resembled the environment of the Department.

An analysis of the data produced the emergence of natural groupings for consideration in constructing annual pay ranges to accommodate the more than thirty specialties that currently exist in the VA system. The benefit of grouping specialties into consolidated pay ranges allows VA to use multiple sources that yield a high number of physician salary data which helps to minimize disparities and aberrations that may surface from data involving smaller numbers of physicians and dentists for comparison and from sample change from year to year. Thus, by aggregating multiple survey sources into like groupings, greater confidence exists that the average compensation reported is truly representative. In addition, aggregation of data provides for a large enough sample size and provides pay range with maximum

flexibility for pay setting for the more than 15,000 VHA physicians and dentists.

In developing the annual pay ranges, a few distinctive principles were factored into the compensation analysis of the data. The first principle is to ensure that both the minimum and maximum salary is at a level that accommodates special employment situations, from fellowships and medical research career development awards to Nobel Laureates, high-cost areas, and internationally renowned clinicians. The second principle, to attempt to establish a rate range of +/- 25 percent of the mean, is imperative to provide ranges large enough to accommodate career progression, geographic differences, sub-specialization, and special factors. This principle is also the standard recommended by World@Work for professional compensation ranges.

All clinical specialties for VHA physicians and dentists were reviewed against relevant private sector data. The specialties were grouped into four clinical pay ranges that reflect comparable complexity in salary, recruitment, and retention considerations. Two additional pay ranges were compiled for VHA Chiefs of Staff and physicians and dentists in executive level administrative assignments at the facility, network, or headquarters level.

**PAY TABLE 1.—CLINICAL SPECIALTY**

Tier level	Minimum	Maximum
Tier 1 .....	\$90,000	\$175,000
Tier 2 .....	110,000	200,000
Tier 3 .....	120,000	215,000
Tier 4 .....	130,000	225,000

**PAY TABLE 1.—COVERED CLINICAL SPECIALTIES**

Admitting Physician.  
Allergy and Immunology.  
Endocrinology.  
Geriatrics.  
Infectious Diseases.  
Internal Medicine/Primary Care/Family Practice.

**PAY TABLE 1.—COVERED CLINICAL SPECIALTIES—Continued**

Neurology.  
Preventive Medicine.  
Psychiatry.  
Rheumatology.  
General Practice—Dentistry.  
Endodontics.  
Periodontics.  
Prosthodontics.  
Assignments that do not require a specific specialty.

**PAY TABLE 2.—CLINICAL SPECIALTY**

Tier level	Minimum	Maximum
Tier 1 .....	\$90,000	\$200,000
Tier 2 .....	115,000	215,000
Tier 3 .....	130,000	225,000
Tier 4 .....	140,000	235,000

**PAY TABLE 2.—COVERED CLINICAL SPECIALTIES**

Dermatology.  
Emergency Medicine.  
Gastroenterology.  
Gynecology.  
Hematology—Oncology.  
Nephrology.  
Nuclear Medicine.  
Ophthalmology.  
Pathology.  
Physical Medicine & Rehabilitation/Physiatry/  
Spinal Cord Injury.  
Pulmonary.  
Oral Surgery.

**PAY TABLE 3.—CLINICAL SPECIALTY**

Tier Level	Minimum	Maximum
Tier 1 .....	\$90,000	\$220,000
Tier 2 .....	120,000	230,000
Tier 3 .....	135,000	240,000
Tier 4 .....	145,000	250,000

**PAY TABLE 3.—COVERED CLINICAL SPECIALTIES**

Cardiology.  
General Surgery.  
Otolaryngology.  
Urology.

**PAY TABLE 4.—CLINICAL SPECIALTY**

Tier Level	Minimum	Maximum
Tier 1 .....	\$90,000	\$255,000
Tier 2 .....	125,000	275,000
Tier 3 .....	140,000	285,000
Tier 4 .....	150,000	295,000

**PAY TABLE 4.—COVERED CLINICAL SPECIALTIES**

Anesthesiology.  
Cardio-Thoracic Surgery.  
Neurosurgery.  
Orthopedic Surgery.  
Plastic Surgery.  
Radiology.  
Vascular Surgery.

**PAY TABLE 5.—CHIEF OF STAFF**

Tier Level	Minimum	Maximum
Tier 1 .....	\$150,000	\$260,000
Tier 2 .....	145,000	240,000
Tier 3 .....	140,000	220,000

**PAY TABLE 6.—EXECUTIVE ASSIGNMENTS**

Tier Level	Minimum	Maximum
Tier 1 .....	\$110,000	\$230,000
Tier 2 .....	110,000	250,000

**PAY TABLE 6.—COVERED EXECUTIVE ASSIGNMENTS**

Chief Officer.  
Deputy Under Secretary for Health.  
Facility Director.  
Network Chief Medical Officer.  
Network Director.  
VA Central Office Physician.  
VA Central Office Dentist.

Dated: October 25, 2005.

**R. James Nicholson,**

*Secretary of Veterans Affairs.*

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