

U.S. Office of Personnel Management  
Office of Merit Systems Oversight and Effectiveness  
Classification Appeals and U.S. Programs



Philadelphia Oversight Division  
600 Arch Street, Room 3400  
Philadelphia, PA 19106-1596

**Classification Appeal Decision**  
**Under Section 5112 of Title 5, United States Code**

**Appellant:** [appellant-s name]  
[appellant-s name]

**Agency classification:** Accountant  
GS-510-13

**Organization:** Financial Management Branch  
Division of Financial Management  
[name] Regional Office  
[name] Consortium  
Healthcare Financing Administration  
U.S. Department of Health and  
Human Services  
[location]

**OPM decision:** Accountant  
GS-510-13

**OPM decision number:** C-0510-13-01

Robert D. Hendler  
Classification Appeals Officer

    /s/ 10/23/98      
Date

As provided in section 511.612 of title 5, Code of Federal Regulations (CFR), this decision constitutes a certificate that is mandatory and binding on all administrative, certifying, payroll, disbursing, and accounting officials of the government. The agency is responsible for reviewing its classification decisions for identical, similar, or related positions to ensure consistency with this decision. There is no right of further appeal. This decision is subject to discretionary review only under conditions and time limits specified in the Introduction to the Position Classification Standards, appendix 4, section G (address provided in appendix 4, section H).

### **Decision sent to:**

[appellant-s name]  
[apellants=address]

Director, Human Resources Management  
Group  
Heath Care Financing Administration  
U.S. Department of Health and Human Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850

[appellant-s name]  
[apellants=address]

Deputy Assistant Secretary for Human  
Resources  
U.S. Department of Health and Human Services  
HHH Building  
200 Independence Avenue, SW  
Room 536E  
Washington, DC 20201

## Introduction

On May 26, 1998, the Philadelphia Oversight Division of the U.S. Office of Personnel Management (OPM) accepted a classification appeal from [appellant's name] and [appellant's name]. They occupy identical additional positions classified currently as Accountant, GS-510-13. The position description (PD) #H12020 is a standard PD used at other agency field sites. The appellants, however, believe the classification should be Accountant, GS-510-14. The position is in the Financial Management Branch, Division of Financial Management, [name] Regional Office, [name] Consortium, Healthcare Financing Administration (HCFA), U.S. Department of Health and Human Services (DHHS), [location]. We have accepted and decided this appeal under section 5112 of title 5, United States Code (U.S.C.).

## General issues

The appellants believe that their positions should be credited at Levels 1-9, 3-6, 4-6, and 5-6, resulting in reclassification to the GS-14 grade level. In their initial appeal letter of May 15, 1998, they provided descriptions of work assignments supporting their rationale. They claimed the agency appeal adjudicator may have an unknown bias toward positions in Central Office resulting in a negative view of the regional positions that they occupy. The appellants stated regional positions require a broader view of programmatic and operational requirements. They also claimed that:

changes in supervisors have only reinforced our arguments that an inordinate amount of our time is spent explaining the necessary knowledge to untrained supervisors. Changes also support our argument that the role of a supervisor as a technical expert is more form than substance. It is not that we are unwilling to perform this mentor role. We are. However, in doing so, it argues a higher level of knowledge and breadth of responsibility.

For Factor 1, HRMG used an Office of Personnel Management Decision dated in November 1983. We believe that the Decision is far too old to render a decision on this appeal.

We also argue that an Equal employment opportunity activity should not be used as a comparison to accounting. Our positions encompass more than accounting. They involve finance and auditing. Two separate fields of study, but necessarily related to accounting.

The appeal request included a copy of their February 24, 1998, appeal request to their agency in which they attempted to compare their position to that of "GS-510-14" PD's, and structured their appeal rationale based on application of the factor evaluation system (FES) Primary Standard contained in the Introduction to the Position Classification Standards (Introduction).

In their July 15, 1998, response to the agency's appeal administrative report, the appellants claimed that while their PD was accurate in 1990, it has not been accurate since the departure of their supervisor, an accountant, in July 1994. At that time, they took over their former supervisor's workload, including:

planning workloads, assigning work, editing and approving letters, evaluating staff, reviewing mail, public speaking before large groups, and resolving technical accounting issues. Even though we currently have a supervisor, with no audit and reimbursement knowledge and experience, we are still performing the preceding functions which are not fully reflected in our PD.

For approximately four years we have planned and conducted final administrative cost proposal (FACP) reviews and settlements. These settlements involve administrative costs claimed by Medicare contractors. Our PD does not include this function anywhere.

For approximately four years we have planned and conducted chief financial officer (CFO) reviews. This function involves a review of financial reports submitted by Medicare contractors which show Medicare benefit payments and overpayments. Our PD does not include this function anywhere.

They claimed their PD does not show: (1) that they perform these two types of reviews within a [name] Consortium covering [name], [name], and [name] HCFA regions; (2) the full range of their team leader duties for six accountants; (3) their presentations before groups such as the [name] Society of CPAs; (4) their special project work such as recovery of large overpayments for occupational therapy (OT) and speech therapy (ST); and, (5) the depth and scope of their work responsibilities. They contrasted the breadth of knowledge required of their work with that of the Anyopic view of Aa Central Office GS-14 accountant who is required Ato have knowledge of only one process.@ They repeated they function as team leaders and perform Aall supervisory responsibilities in form or substance.@

The appellants stated: AOur appeal argues that the current PD is accurate to the extent that we perform the duties and tasks described. It is inaccurate to the extent that we perform these duties at higher levels for each factor that describes the duties and responsibilities and also perform several functions that are not even shown in our PD.@

These submissions have raised procedural issues warranting clarification. All positions subject to the Classification Law contained in title 5, U.S.C. must be classified in conformance with published position classification standards (PCS's) of OPM or, if there are no directly applicable PCS's, consistently with PCS's for related kinds of work. Therefore, other methods or factors of evaluation, such as comparison to other positions that may or may not be classified correctly, e.g., the positions cited by the appellants in their appeal request, are not authorized for use in determining the classification of a position.

PCS's must be applied within established OPM position classification theories, principles, and practices. The Introduction states that the Primary Standard may be used for supplemental guidance but only in conjunction with other FES standards. It may not be used alone to classify a position unless when evaluating an individual FES factor which falls below the lowest or above the highest factor level described in the applicable FES standard. Therefore, the appellants' proposed direct application of the Primary Standard to the appealed position is inappropriate.

The classification appeal process is a de novo review that includes a determination as to the duties and responsibilities assigned to the appellants' positions and performed by the appellants, and constitutes the proper application of PCS's to those duties and responsibilities. Therefore, the appellants' perceptions regarding the fact finding and other methods used by their employing agency in reaching its decision on the classification of the position are moot.

Our analysis of the position is based in large part on the information provided during a telephone audit with the appellants on October 1, 1998, and subsequent follow-up conversations; a telephone interview on October 5 with their supervisor of record, [name], Chief, Financial Management Branch, [name] Regional Office; a telephone interview on October 8 with [name], HCFA Office of Financial Management; telephone interviews on October 9 with [name], Director, Chronic Care Purchasing Policy Group, HCFA Center for Health Plans and Providers, on October 15 with his Deputy, [name]; a telephone interview on October 16 with [name], a Health Insurance Specialist staff member in the Chronic Care Purchasing Policy Group; telephone interviews on October 13 and 16 with [name], HCFA Office of Financial Management; a telephone interview on October 20 with [name], Chief, Provider Audit Operations Branch, HCFA; a telephone interview on October 21 with [name], Technical Advisor, Provider Audit Operations Branch, Office of Financial Management, HCFA; and our independent review and analysis of the entire appeal record. Our audit with the appellants and our interview with their supervisor confirmed that the PD of record contains the major duties and responsibilities performed by the appellants with three exceptions. First, it does not reflect the final administrative cost proposal (FACP) and chief financial officer (CFO) reviews the appellants conduct. Second, it does not describe the [name] Consortium structure in which the appellants oversee and/or perform these two types of reviews in HCFA's [names] regions (Regions 1, 2, and 3 respectively). Third, it does not describe fully the ongoing team structure that has evolved, in which [appellant's name] leads four and [appellant's name] leads two co-workers. Another position is under recruitment and likely will be assigned to [appellant's name] group. The remainder of the PD of record is now incorporated by reference into this decision.

### **Position information**

The positions occupied by the appellants are intended to function as senior accountants, providing technical expertise, guidance, and policy interpretation to intermediaries on HCFA institutional payment procedures and provider cost payment principles, and monitoring and recommending adjustments in intermediary institutional payment procedures for compliance with HCFA guidelines. The appellants lead teams of accountants in reviewing cost reports submitted by providers, correct

deficiencies in intermediary cost payment procedures, coordinate the settlement of sensitive or controversial issues that lower graded accountants have difficulty in resolving, and recommend newly developed accounting and cost payment procedures that may be implemented by intermediaries to meet new legislative requirements or to improve overall efficiency. Duties include monitoring contractor evaluation programs, providing guidance on recovery of Medicare overpayments; reviewing cost allocation and payment systems; identifying the need for and helping in developing special review agendas; identifying the need for and developing new or clarifying instructions regarding institutional and provider cost payment processes; providing direction and assistance to lower graded co-workers performing the accounting work of the unit, performing quality control checks on their work; providing consultative and advisory services to the supervisor and other HCFA officials on institutional and cost payment policies and procedures; and representing the supervisor in conferences with representatives of contractors, and other organizations.

The record shows that the reviews defined in the PD of record; i.e., uniform contractor evaluation program (UNICEP) and contractor performance evaluation program (CPEP) are no longer performed routinely. In 1995, CPEP was replaced by contractor performance evaluation (CPE), although the appellants estimate CPE reviews currently occupy only 5 percent of their time. The appellants' estimate of work time distribution shows that they spend about 50 percent of their time on FACP and CFO work, 25 percent of their time on team leader administration work exclusive of their FACP and CFO team leader review work, 10 percent on audit and reimbursement policy issues, and 10 percent on overpayments. [appellant's name]'s team consists of two lower graded accountants. [appellant's name] leads four lower graded accountants. Another accountant position, under recruitment at the time of our fact finding, likely will be assigned to [appellant's name].

The immediate supervisor, who has occupied his position since August 1997, believes [appellant's name] spends no more than 10 percent of his time on team leader duties and [appellant's name] less than 20 percent of his time on team leader duties. The duties and responsibilities assigned to a position flow from the mission assigned to the organization in which the position is found. The positions created to perform the assigned mission must be considered in relation to one another. Therefore, the duties and responsibilities assigned to the appellants may not be considered in a vacuum. The PD occupied by the accountant team members (Accountant, GS-510-12, PD #H12040), certified as current and accurate by competent management authority, states:

Incumbent receives general supervision from the branch or section chief. Work assignments are broadly outlined, and areas of responsibility are assigned either geographically or by contractors serviced. Incumbent works with considerable latitude and independence on a day-to-day basis, assisting in the planning of payment activities within assigned area of responsibility. Recommendations for action made by the incumbent are normally approved as presented. Completed work is reviewed for adequacy of professional judgment, compliance with instructions and policies, and overall quality.

This freedom from supervision and work control, by official supervisors or work leaders, is critical to the grade level worth of these positions. The appellants's supervisor confirmed that these lower level employees, although not exposed to the Medicare program as long as the appellants, are seasoned accountants who perform most of their reviews on their own. Most are Adesk reviews of materials submitted by the organizations being reviewed and are handled by a single staff member rather than a team. Two accountants generally go to each on-site review, but these reviews constitute only about 10 percent of the unit's work effort. [appellant's name] routinely works out of his home two days each week and [appellant's name] does so one day a week. Based on these facts and circumstances, we conclude that the appellants each spend substantially less than 25 percent of their work time on team leader duties.

Established OPM guidance requires that a representative work cycle be determined for establishing what work is characteristic of the work of a position for classification evaluation. Many lower graded positions handle a full work cycle within a period of weeks or months, e.g., processing travel claims or payroll. Many higher graded positions operate in an annual work cycle, e.g., annual budget cycle development, including updating previous year and out-year budget plans. OPM has found that sometimes, e.g., long-term criminal investigations, work cycles beyond one year are appropriate. The point here is that a work cycle of four years (1994-1998) cannot be considered the appealed position's current duties and responsibilities. While the earlier work projects provide useful historical background in the adjudication of this case, we must focus on the more recent work performed by the appellants constituting the current work cycle within the meaning of the position classification process; i.e., within the past 12 to 18 months. Therefore, our analysis will focus on the current work projects performed by the appellants, including CFO and FACP reviews.

Our fact finding shows that while the appellants are involved in HCFA-wide projects, they do so as participants, and not as project managers. HCFA accounting program policy, protocols and guidelines are centrally controlled and issued. For example, two protocols for CFO reviews were released; one for accounts receivable and one for accounts payable. CFO program seminars were conducted by HCFA Central Office staff at which draft program manuals on preparing financial statements were handed out. FACP risk assessment criteria were issued by HCFA Central Office, as were limited reviews and full review protocols based on on-site contractor reviews. The appellants, in turn, modified and adapted these guidelines to meet regional program goals. For example, based on previous Office of the Inspector General experience in conducting FACP reviews, the appellants developed a general ledger scoping tool to determine the level of review appropriate for each contractor. OT/ST policy is issued and interpreted at HCFA Central Office. The appellants, in turn, are responsible for making operational decisions within the parameters of delegated authority. Similar HCFA Central Office controls were exercised over the other projects cited by the appellants, e.g., Audit Quality Review Program. These Apolicy@projects also occupy a limited portion of the appellants's work time.

The appellants exercise signatory authority for most correspondence, as do their team members. Certain reports, including closing agreements, however, must be reviewed by the Branch Chief and must be signed by the Associate Regional Administrator. These reviews include looking at report

language, facts and conclusions. The current Branch Chief also intends to review some working papers. The appellants' work receives limited technical review as reflected in the following quotes from documents in the record:

... reviews all key correspondence for team members and he always assures products submitted for supervisory approval are accurate, meet program requirements and are well written. These products generally only require minimum supervisory revision.

and:

... submitted reports/letters which clearly and fully responded to the issues. Minimal supervisory revision and direction was needed.

### **Series, title, and guide determination**

The agency determined the appellants' positions are: (1) covered by the Accountant Series, GS-510; (2) are titled Accountant; and (3) are graded using the Accountant Series, GS-510 PCS. The appellants have not disagreed with the title and series determination, but appear to argue that their previous supervisory and current team leader duties deserve appropriate recognition.

We concur that the GS-510 PCS covers the preponderance of the appellants' work. The agency's initial position evaluation statement, apparently prepared when the position was classified in August 1990, concluded that the position performed a combination of cost and staff accounting GS-510 work, and GS-511 work in auditing and examining financial accounts and contractor operations to determine financial and operating results. Both the GS-510 and GS-511 PCS were applied resulting in identical factor level evaluations. Our fact finding causes us to conclude, however, that their contractor review work is not covered by the GS-511 PCS. The appellants, and the organization in which they work, are not authorized to issue formal audit reports and statements, and do not go into the detailed review of original source documents that are integral to such audits. In contrast, the appellants perform a high level overview of contractor operations; i.e., the inspection of accounting systems covered by the GS-510 PCS. Because the GS-510 PCS is applicable directly to the work the appellants perform, application of the GS-511 PCS is neither necessary nor appropriate other than for the purposes described previously in this decision.

Part II of the General Schedule Leader Grade Evaluation Guide (GSLGEG) covers positions whose primary purpose is, as a regular and recurring part of their assignment and at least 25 percent of their duty time, leading a team of GS employees in accomplishing two-grade interval work that meets the minimum requirements defined in Part II. Because the appellants' positions fail to meet the 25 percent threshold, we may not apply the GSLGEG for titling and grading purposes. Established OPM classification principles also preclude considering supervisory duties performed in the absence of another employee and on a temporary basis. Therefore, the position under appeal is allocated properly as Accountant, GS-510.



## Grade determination

The published Accountant Series, GS-510 PCS is written in FES format. Positions graded under the FES format are compared to nine factors. Levels are assigned for each factor and the points associated with the assigned levels are totaled and converted to a grade level by application of the Grade Conversion Table contained in the PCS. Under the FES, factor level descriptions mark the lower end, i.e., the floor, of the ranges for the indicated factor level. If a position fails in any significant aspect to meet a particular level in the standard, the next lower level and its lower point value must be assigned unless the deficiency is balanced by an equally important aspect that meets a higher level.

Our application of the GS-510 PCS must conform with other requirements in the Introduction that states:

Some positions involve performing different kinds and levels of work which, when separately evaluated in terms of duties, responsibilities, and qualifications required, are at different grade levels. . . .

In most instances, the highest level of work assigned to and performed by the employee for the majority of time [emphasis added] is grade-determining. When the highest level of work is a smaller portion of the job, it may be grade controlling only if:

- The work is officially assigned to the position on a regular and recurring basis;
- It is a significant and substantial part of the overall position (i.e., occupying at least 25 percent of the employee's time); and
- The higher level of knowledge and skills needed to perform the work would be required in recruiting for the position if it became vacant.

The appellants disagree with the evaluation of Factor 1, Knowledge and skill; Factor 3, Guidelines, Factor 4, Complexity, and Factor 5, Scope and effect. They agree with the agency's crediting of Levels 2-5, 6/7 3c, 8-1 and 9-1. We reviewed carefully the levels assigned to the other factors by the agency and the accompanying rationale with which the appellants have not taken issue. We found these determinations to be appropriate for Factors 6, 7, 8 and 9, and have so credited the position. Accordingly, our appeal analysis focuses on the evaluation of the remaining factors.

*Factor 1, Knowledge and skill*

This factor measures the nature and extent of information or facts that a worker must understand to do acceptable work, e.g., steps, procedures, practices, rules, policies, theories, principles, and concepts, and the nature and extent of the skills needed to apply this knowledge. To be used as a basis for selecting a level under this factor, a knowledge must be required *and* applied.

In addition to knowledge at the previous levels, Level 1-8 (1.550 points), the highest level described in the GS-510 PCS, requires a professional knowledge of the theory, concepts, and practices of accounting and skill and ability to apply this knowledge to broad and difficult assignments. Employees are experts in developing and installing accounting systems, developing and promulgating accounting policies and standards covering operations in the Government or in the private sector, or exercising broad responsibilities to solve problems of above average difficulty in maintaining accounting systems. Assignments normally have such characteristics as: (1) Applying a knowledge of specialized areas of accounting (e.g., securities law, or cost accounting standards) to solve controversial problems in financial reporting or regulation; (2) Applying a knowledge of a number of accounting systems and related appropriation programs to maintain an entire accounting program; to integrate improvements to accounting system capabilities; and to solve problems in overall program management and reporting requirements; (3) Applying a knowledge of legislation, regulations, and automated system software characteristics and capabilities in developing accounting systems for functional programs; and (4) Applying a knowledge of financial information systems to define specifications and evaluate proposals to integrate a number of administrative support systems or functional program accounting systems.

Illustrative of such work is: (1) providing staff direction and guidance in the design, development, and implementation of an automated payroll accounting system, authoritative policy interpretations and functional recommendations on the system's overall structure, and resolving major problems that arise in producing a smoothly running and effective system and integrating it with other financial management systems; (2) serving as a staff expert on a program such as foreign military sales or the export of agricultural commodities on credit; coordinating the resolution of accounting system problems arising from factors such as changes in legislation, recent changes in the status of the country's need, financial condition; developing policies with respect to financing program operations, determining accounting system adequacy, qualifying cooperating businesses, or similar critical policy development on other aspects of the program; and developing regulations and guidelines for program users; (3) serving as a Systems Accountant developing an automated accounting system for tracking the acquisition, distribution, and use of oil, gasoline, and aviation fuel at installations worldwide; and, (4) maintaining operating accounting systems where there is a greater than normal need to correlate improvements with the entire system and there is substantial need for improving systems capability and providing solutions to program management problems, identifying which operating policies and procedures or systems aspects should be established or revised; determining the meaning of data contained in reports and statements in order to identify problem areas and to advise managers; and addressing similar broad issues to establish or implement overall systems improvements.

In contrast, Level 1-9 (1850 points) in the Primary Standard is mastery of a professional field to generate and develop new hypotheses and theories or equivalent knowledge and skill. Established classification principles and practices require us to consider this factor in an appropriate occupational context. The closely related Auditing Series, GS-511 PCS defines Level 1-9 as, besides the expert knowledge found at Level 1-8, a mastery of accounting theory and principles to develop new hypotheses and theories. These knowledges are applied in **A**undertaking pioneering efforts in areas where no precedents exist and issues of **governmentwide scope** [emphasis added] are a primary focus. Illustrative of Level 1-9 is developing **A**new principles pertaining to broad financial concerns of the government or the accounting field; e.g., the treatment of costs.

The appellants stated that their each having: (1) more than 25 years experience in Medicare payment policy, accounting, and financial management; (2) a Masters of Business Administration degree; (3) taught at the college level; and, (4) held high level positions with other organizations supports crediting Level 1-9. This premise is supported by their being regarded by HCFA Central Office as **A**the technical experts in the Region and being **A**members of national groups tasked with writing technical accounting policies for the Medicare program. They cited their: (1) speaking engagements before professional societies; (2) meetings with regional home health agency providers; (3) managing the regional occupational therapy (OT) and speech therapy (ST) review under the prudent buyer principle in the Medicare Provider Reimbursement Manual and Code of Federal regulations; and (4) participating in special projects, e.g., work on the Audit and Reimbursement Steering Committee Subcommittee on Government Auditing Standards, Medicare Transaction System Initiative work on the **A**Cost Reporting and PS&R Workgroup, writing a **A**paper on the future of the Audit Quality Review Program, a national contractor auditing protocol designed by HCFA Central Office, recognized as an on-going part of their positions in their performance standards, as further proof of working at Level 1-9.

The appellants' rationale appears to posit that HCFA Central Office higher graded accounting positions must be evaluated at Level 1-9 to support the higher grade level assigned and, that because their work is at least as difficult, their positions also warrant evaluation at Level 1-9. As discussed earlier in this decision, position-to-position comparison is barred for classification purposes. However, by way of illustration, we note that the since abolished GS-14 PD submitted by the appellants in support of their appeal (PD #RX0060, classified as Financial Management Specialist, GS-501-14) was evaluated at Level 1-8 by the agency. The Classifier's Handbook Factor Level Relationships Table, illustrating typical factor level patterns for professional work, such as accounting, lists Level 1-8 for both the GS-13 and GS-14 grade levels. Level 1-9 is limited to GS-15 nonsupervisory work.

Level 1-7, and not Level 1-8 is the typical level of knowledge applied in full performance level accounting work as discussed on pages 14 and 15 of the GS-510 PCS. The appellants' positions exceed Level 1-7 in that they are relied upon, internally by lower graded team members and externally by Medicare contractors and providers, to help in solving problems of above average difficulty in maintaining complex accounting systems that will meet mandated program

requirements. The appellants' work on such issues as OT/ST reimbursement rates is illustrative of Level 1-8 issues of above average difficulty. Their efforts in dealing with system changes flowing from changes in legislation and regulation, and participating in agency-level special projects in developing program proposals and initiatives that they cited as warranting Level 1-9, are the aspects of their work that permit evaluation of their positions at Level 1-8. Presentations before professional societies and running meetings, and possessing advanced degrees have no intrinsic grade level worth. Functions performed outside of work, e.g., college teaching, are not position functions and may not be considered in the position classification process. The record shows the subjects of work related meetings, however, are part of the problem solving and programmatic leadership functions that support evaluation of this factor at Level 1-8. The appellants' modifying and adapting HCFA Central Office issued guidelines are not equivalent to developing new principles on broad governmental financial concerns, or developing new accounting hypotheses and theories found at Level 1-9. Accordingly, this factor is evaluated at Level 1-8 (1,550 points).

*Factor 2, Supervisor controls*

"Supervisory Controls" covers the nature and extent of direct or indirect controls exercised by the supervisor, the employee's responsibility, and the review of completed work. Controls are exercised by the supervisor in the way assignments are made, instructions are given to the employee, priorities and deadlines are set, and objectives and boundaries are defined. Responsibility of the employee depends upon the extent to which the employee is expected to develop the sequence and timing of various aspects of the work, to modify or recommend modification of instructions, and to participate in establishing priorities and defining objectives. The degree of review of completed work depends upon the nature and extent of the review, e.g., close and detailed review of each phase of the assignment; detailed review of the finished assignment; spot-check of finished work for accuracy, or review only for adherence to policy.

At Level 2-4 (450 points), the supervisor makes assignments by outlining the overall objectives and the resources available. The accountant and supervisor discuss time frames, scope of the assignment, and possible approaches. Fully experienced in applying professional concepts and methodologies and knowledgeable in functional program characteristics and requirements, the accountant is responsible for such actions as planning and carrying out the assignment; directing other accountants; resolving most of the conflicts that arise; coordinating with system support personnel, computer programmers, program managers, and others as necessary; interpreting policy and regulatory requirements; and providing recommendations for improvement in order to meet program objectives. The accountant keeps the supervisor informed of progress, and of potentially controversial matters such as major problems in completing accounting systems development or installation, or on trends in major financial programs. Completed work is reviewed for soundness of overall approach, effectiveness in meeting requirements or expected results and workability of recommendations regarding agency operating programs.

In contrast, at Level 2-5 (650 points) the supervisor provides administrative direction in terms of broadly defined missions or functions of the organization. The accountant defines objectives and

independently plans, designs, and carries out the work to be done. Completed assignments are considered technically authoritative and the most appropriate accounting treatment for the application. They are normally accepted without significant changes. Review of the work covers such matters as fulfillment of accounting program objectives, the effect of advice on the overall accounting program, or the effective integration of accounting systems with accounting programs or systems of other agencies or of services within the agency. Recommendations for new systems or methods are usually evaluated in light of the availability of funds, personnel, and equipment capabilities, other resources, or other priorities.

The appellants claimed in their appeal to HCFA that supervising their work would require a extensive background in accounting, auditing and Medicare reimbursement and payment knowledge, and that any semblance of control [over their work] would be more form than substance since we are the only individuals with the necessary master knowledge to properly understand and control Medicare payment outcomes. They stated that they are contacted directly by others, from HCFA central office and outside the agency, for technical advice, e.g., the FACP protocols they developed, evidence their functioning under administrative rather than technical control. They also claimed that their:

work is considered technically accurate. Very rarely are substantive changes made to our work. Completed work is reviewed in terms of overall accomplishments and effectiveness in achieving intended HCFA Strategic Plan objectives. There is no day to day technical supervision over our work. . . . We also provide technical accounting and payment advice to our Branch Chief and Associate Regional Administrator for Medicare. This, in fact, is a concern and a reason for seeking this upgrade. We spend an exhaustive amount of time going over accounting and payment concepts to bring these individuals up to the level of understanding necessary to address complex and technical accounting and payment issues.

While performing our duties we sign all letters sent to Medicare contractors in Regions 1, 2, and 3. In addition, we sign all letters send to the public including lawyers, accountants and consultants. We also review the work of the members of our team on a regular basis. Most of our work and the work of our teams is based on Generally Accepted Accounting Policies (AICPA) and Government Accounting Standards (GAS). AICPA and GAS field work standards require a supervisory review of work performed by lower level auditor/accountants. We review the technical accounting and audit work performed by our team members, and perform the necessary sign-offs. We plan, direct, and control the FACP and CFO reviews to team members.

Since acquiring the FACP and CFO consortium workload, we have designed and implemented review protocols to examine contractor financial accounting systems. These protocols were subsequently utilized by other regional offices.

Implicit in Level 2-5 is a degree of program management authority that is not delegated to the appellants=positions. They do not, for example, operate only within the parameters of broadly defined missions in independently planning, designing, and carrying out major program activities. The intent of this level is that the employee normally would be responsible both for initial conception of the work to be undertaken within a broad program area and for the funds and resources expended in accomplishing the work. Additionally, the review of work primarily is administrative, focusing on such matters as budgetary considerations and general program direction rather than the technical aspects of the work.

As discussed previously, the duties and responsibilities assigned to the appellants may not be considered in a vacuum. The PD occupied by [supervisor's name] (Supervisory Health Insurance Specialist, GS-107-14, PD #R1024S), certified as current and accurate by competent management authority, states:

As the Division's sole Branch Chief, the incumbent is the principal source of advice to the Associate Regional Administrator (ARA) for the Division of Financial Management regarding Medicare program safeguard activities. . . . In so doing, oversees. . . . The negotiation of Medicare contractor budget and budget modification. . . . The conduct of reviews to ensure compliance with the Chief Financial Officer's Act for the Northeastern Consortium. . . . The conduct of financial reviews for contractor administrative costs and closing out Final Administrative Cost Proposals (FACPs) for the Northeastern Consortium. . . . The direction of on-going contractor fiscal management activities, including subcontracting and cash management activities. . . . The development of program policy as required when no clear precedent exists; recommending changes to national policy when the need is identified. . . . Plans the work to be accomplished by Branch staff members, including the establishment of time frames, priorities, and completion dates. Develops work related performance standards and evaluates the performance of subordinate staff. Provides guidance and assistance to Branch staff members on both program and administrative matters. . . . The incumbent coordinates and integrates individual assignments of employees into broader assignments. A team approach is frequently taken to accomplish work projects whereby the incumbent must integrate the work products of each individual team member into one cohesive product. The incumbent assures the timeliness, quantity and quality of work products. In addition, the incumbent assures that the interpretation, judgment, and logic of the work of subordinate employees is consistent. Work products are also reviewed to assure compliance with regulations and policies.

As discussed above, we find the appellants occupy a traditional staff role where they are assigned specific work to carry out, and the work receives a definable degree of technical review. The crediting of technical supervision to a position does not mean that the supervisor must be as skilled as the subordinate in a subject matter area. For example, Financial Manager, GS-505 positions, also known as Comptrollers, manage and direct financial programs that must include budgeting,

managerial financial reporting, financial advice to management and accounting functions. While they are responsible for administrative and technical direction over accounting functions, professional accounting credentials are not required for placement of an employee in a Financial Manager, GS-505 position. Supervisory scientists and engineers routinely supervise employees in highly specialized professional positions in which they are not fully credentialed. As technical supervisors, however, they have the authority and responsibility to accept, reject, or direct that the work is modified to meet program requirements. As discussed previously, the Branch Chief's position is vested with both technical and administrative control over all work operations in the Branch. This clearly exceeds the type of administrative supervision normally expected at Level 2-5. In addition, the appellants' work cannot be said to be technically authoritative in that their positions are not assigned the authority upon which this would be predicated. For example, closing agreements may not be signed by the appellants. Work examples provided by the appellants show that HCFA Central Office policy staff is involved in technical issue decisions. For example, the December 5, 1997, letter to the Associated Hospital Service of Maine states, in part:

Our central Office, Center for Health Plans and Providers (CHPP) advises us that it sees no barriers to separate Medicare participation for these hospitals, with each having its own provider agreement and provider number.

CHPP considers the four hospitals related under Section 413.17 of the Code of Federal Regulations (CFR), Part 42 since they are owned by the same corporation, and they have a common chief executive officer and governing body.

. . . Because of these decisions, several cost reporting and payment issues require clarification.

Therefore, we also find the appellants do not decide program matters typical of Level 2-5 but, in keeping with the traditional staff role at Level 2-4, make recommendations subject to technical control and review retained by other positions in the organization. In short, Level 2-5 does not merely represent a high degree of technical independence, but also a corresponding management role that is well beyond the authority vested in the appellants' positions. It derives not only from the technical latitude afforded, but also from the position's role in the organization and the authority delegated to define the basic content and operation of the program beyond the technical aspects of discreet assignments or groups of assignments. Neither the absence of immediate supervision for day-to-day operations, nor the fact that technical recommendations normally are accepted, serves to support a level above Level 2-4. Accordingly, this factor is evaluated properly at Level 2-4 (450 points).

### *Factor 3, Guidelines*

This factor covers the nature of guidelines and the judgment needed to apply them. Guides used in General Schedule occupations include, for example, desk manuals, established procedures and

policies, traditional practices, and reference materials such as dictionaries, style manuals, engineering handbooks, and the pharmacopoeia.

Individual positions in different occupations vary in the specificity, applicability and availability of the guidelines for performance of assignments. Consequently, the constraints and judgmental demands placed upon employees also vary. For example, the existence of specific instructions, procedures, and policies may limit the employee's opportunity to make or recommend decisions or actions. However, in the absence of procedures or under broadly stated objectives, employees in some occupations may use considerable judgment in researching literature and developing new methods. As discussed in the PCS, positions vary in the specificity, applicability and availability of the guidelines for performance of assignments. Consequently, the constraints and judgmental demands placed upon specialists vary. Guidelines are not to be confused with the knowledge described under Factor 1, Knowledge Required by the Position.

The appellants state that their guidelines include, Federal and State laws, HCFA policy issuances and directives, Medicaid state plans, the Social Security Act, Federal regulations governing payment and reimbursement, Federal acquisition regulations, court decisions, Provider Reimbursement Review Board decisions, and GAS. They claim that they have been tasked with revising existing program instructions to meet other governmental as well as industry standards and, where policy or guidelines are not specific they have formulated guidelines on payment and financial management issues. The policy and precedent studies provide a basic outline, but independent judgment is used in interpreting and applying these guidelines. As an example, they claimed they were given general guidelines for FACP and CFO reviews, but had to develop specific technical protocols involving allowable costs, allocations, computer usage. . . . Their work requires using a high degree of ingenuity and judgment in interpreting existing policies, regulations, and guidelines. The appellants repeated their claim that they are considered experts, and participate as members of national recognized payment and accounting workgroups, e.g., a Government Auditing Standards workgroup tasked with writing national auditing standards for the Medicare program.

At Level 3-4 (450 points), guidelines or references are stated in general terms, e.g., user requirements that define the general specifications or capabilities for management/financial information systems, or information system specifications which provide the parameters from which an accounting system is designed or extensively modified. At this level the guidelines may cover an aspect of the work not encountered in the normal cycle of accounting operations such as nonspecific guidance on the generation of a new type of report from information currently available in the system, or general guidance on modifying the system to accept new kinds of information. The need to add new types of input or generate new types of reports had not previously arisen so applicable precedents or detailed instructions from higher echelons are unavailable or of limited use.

At Level 3-4, some accountants develop new methods or criteria. For example, accountants responsible for developing the guidelines for installing or modifying accounting and/or billing systems at the operating level; or developing (for use by other accountants) material to supplement or explain guidelines received from headquarters, the Department of Treasury, the General



Accounting Office, or Office of Management and Budget; preparing specific guidance for a team of accountants and other specialists concerned with the development of, or major modification to, an accounting system; or developing reporting requirements covering special or unusual circumstances.

Some accountants track or note major trends in financial data or business practices to develop new regulations and assess the effectiveness of existing regulations. The accountant uses judgment in deviating from traditional methods to develop new methods, criteria, or policies.

In contrast, at Level 3-5 (650 points) guidelines consist of broad policy statements and basic legislation which require extensive interpretation. The accountant uses judgment and ingenuity in interpreting the intent of legislation and broad program objectives to develop financial management policy for use throughout a department or comparable organization or throughout the executive branch of Government. For example, developing guidelines leading to installation in a number of agencies of compatible automated accounting systems; or guidelines for content and format of reports used by upper management to shape overall Government fiscal policy; or other comparable guidelines. The accountant is recognized as a technical authority in a field of accounting with responsibility for the development of policies, and also standards and guidelines, for use by other accountants in an agency or in a functional area across agency lines to satisfy new programs and meet legislative intent.

Our fact finding revealed basic Medicare accounting policy, and operating guidelines in manuals and protocols, are developed and interpreted at HCFA Central Office. While the appellants may propose interpretations, their positions are not delegated responsibility for the developing of policies, standards and guidelines for their agency component; i.e., HCFA, or their department (DHHS). The relatively general nature of these guidelines, exemplified by the interpretive issues raised by the appellants—in their appeal rationale, creates an environment reflective of Level 3-4 in which applicable precedents or detailed instructions from higher echelons are unavailable or are of limited use. As at Level 3-4, they provide guidance to team members, Medicare contractors, and providers to explain guidelines issued by HCFA Central Office. Their modifications to the FACP and CFO protocols to fit within a desk review environment reflect the scope of judgment in deviating from traditional methods to develop new methods and criteria typical of Level 3-4. But for this exercise of judgment and creativity, this factor would warrant the assignment of a lower factor level.

The appellants have stressed their role on agency level task forces and work groups, suggesting that the organizational location of that work has a positive impact on the grade level worth of the appellants=work. This is incorrect for two reasons. First, it assumes that all agency level work meets or exceeds Level 3-5. As discussed previously in this decision, it is the work performed, and not the organizational location of the work, that controls grade level worth. Second, working on projects that may entail Level 3-5 creativity does not result in all positions engaged in the project meeting that level. For example, if some HCFA Central Office positions are responsible for establishing HCFA Medicare accounting policies might be construed as meeting Level 3-5, the appellants=involvement in a support mode; i.e., without delegated decision making responsibility, precludes crediting that same level to the appellants=positions. This is in concert with the basic classification principle that two positions may not be credited for performing the same work. As

discussed above, the record shows that other HCFA positions are delegated responsibility for accounting program policies and guidelines that may approach or meet Level 3-5. Accordingly, the position is credited properly at Level 3-4 (450 points).

*Factor 4, Complexity*

This factor covers the nature, number, variety, and intricacy of tasks, steps, processes, or methods in the work performed; the difficulty in identifying what needs to be done; and the difficulty and originality involved in performing the work.

The appellants' appeal rationale stresses their functioning as experts in payment, reimbursement, overpayments, operations and financial management, requiring comprehensive and highly technical examinations of varied policies and data and also methodologies and systems. Their work requires them to provide:

highly technical advice and solutions to systemic problems and procedures. Often these solutions require an overlay of many disciplines including GAS standards, accounting concepts, management techniques, and federal payment methodologies. Our knowledge remains unique to multi-disciplinary and technical expert requirements.

The claimed functioning as Part A Transition Coordinator for the transfer of a contractor's entire workload and functionality. . . . is a result of a master level knowledge in accounting, finance and Medicare operations. This work requires that they consider a wide range of variables, including funding, staffing resources. . . . legislative constraints, contractor operations, etc.

At Level 4-5 (325 points), work is characterized by solving accounting problems in particularly difficult and responsible circumstances. The accountant may have major responsibilities in accounting systems development or design, or operation and maintenance responsibilities with overall responsibility for system operation. The work includes advising a number of program directors, and preparing a number of regular and special purpose reports. Both systems development and operating accountants usually work with a variety of accounting systems or in environments where there is a significant interface with automated management systems such as personnel or supply or other similar management systems, or they regularly integrate improvements to the accounting system which were developed elsewhere. The accountant must carefully schedule the testing of improvements to insure regular reporting requirements are not compromised. At this level an accountant is an expert or authority in some aspect of accounting or in the application of accounting to some specialized mission related program or function.

Decisions regarding what needs to be done are complicated by such conditions as: the diversity of systems that must be integrated in a single system; interpreting administration policies and legislation covering highly sensitive programs; or, the number and variability of administrative support and specialized functional programs served by the accounting system(s). Decisions may

balance conflicting issues such as costs versus management information requirements, may establish criteria for accountants at lower levels, or may define the scope or features of a new automated system. The work requires the accountant to be adept at conceiving new strategies for the solution of accounting problems.

In contrast, Level 4-6 (450 points) work is characterized by broad or highly difficult assignments typically found at the highest organizational levels. In some accounting officer or systems accountant positions, the accounting system environment may be changing and new systems having expanded capabilities are replacing older systems. New and old systems coexist until changeover is complete thus complicating the resolution of problems that arise. For example, the immediate development of new reports or the accounting treatment for new programs may have to be accomplished for both new and old systems. Some systems or staff accountants may provide accounting program direction or expert advice and coordination for several organizational levels where a large number of accountants, functional program specialists, and computer systems analysts are involved in program definition and solution. In other positions a staff accountant may work on assignments affecting the direction of the accounting program over a number of years. These assignments may require applying new theory or technology to accounting for functional programs or interpreting new legislation or regulations for application to complete systems.

Decisions regarding what needs to be done require extensive probing and analysis. For example, determining the effect of delaying or immediately implementing department wide accounting systems modifications where immediate implementation would ultimately cost more, but delayed implementation would withhold important data needed by managers. Or, for example, assessing accounting program requirements for a major department over a number of years to improve the quality of financial management advice. The work requires establishing accounting programs very important to the mission of the department or agency, or resolving extremely stubborn accounting problems where for example there are conflicting demands from such conditions as funding priorities, economic interest, public interest, or equivalent concerns.

The appellants' rationale reflects a basic misconception regarding the position classification process. Knowledge required to perform the assigned work has been addressed and credited under Factor 1, and may not be addressed or double credited under this factor. The appellants' program leadership responsibilities, e.g., helping to plan FACP and CFO reviews, developing regional positions on complex program issues such as OT/ST prudent buyer determinations, are fundamental to permitting evaluation of their work at Level 4-5. This level covers functioning as an expert or authority on particularly difficult and complex issues like the ones cited by the appellants. The appellants' rationale regarding their interpreting administration policies and legislation covering highly sensitive programs, such as interim payment and its effect on provider financial viability also matches the conditions defined at Level 4-5. As at that level, they conceive regional and consortium strategies in dealing with program issues, e.g., converting the FACP methodology from on-site to primarily desk reviews and determining what level of review to apply to each contractor.

The appellants are not delegated the authority or responsibility to deal with the breadth of system issues found at Level 4-6. Providing direction and expert advice to their team members, and Medicare contractors and providers that must maintain operating systems that comply with established HCFA and higher level Government accounting requirements are not equivalent to providing program direction or expert advice and coordination for **several** organizational levels where a large number of accountants and other specialist and analysts are involved in program definition and solution. These types of assignments are vested at or above the HCFA Central Office in organizations that control the interpretation of new legislation and regulations affecting HCFA's mission. In contrast, the appellants deal with operating level legal and regulatory implementation issues. Neither the appellants nor the organization in which they work is responsible for making decisions on delaying or implementing **department wide** accounting system modifications, for assessing **department wide** accounting program requirements over a number of years, or making decisions on equivalent accounting and related economic and program issues as discussed previously in this decision. Accordingly, this factor is evaluated properly at Level 4-5 (325 points).

*Factor 5, Scope and effect*

Scope and Effect covers the relationship between the nature of the work, i.e., the purpose, breadth, and depth of the assignment, and the effect of work products or services both within and outside the organization. In General Schedule occupations, effect measures such things as whether the work output helps the work of others, provides timely services of a personal nature, or impacts on the adequacy of research conclusions. The concept of effect alone does not provide sufficient information to properly understand and evaluate the impact of the position. The scope of the work completes the picture and allow consistent evaluations. Only the effect of properly performed work is to be considered.

The appellants' rationale is that their FACP and CFO reviews have required them to identify and develop new, novel and unique ways to resolve problems. They cited the other types of reviews they have conducted, their work on complex and very technical reimbursement and accounting issues such as PPS, depreciation losses, occupational and speech therapy, MTS, overpayments, bad debts, hospital mergers, etc. and they have had to develop new and novel ways to resolve problems. They claimed they control two major Agency programs, FACP and CFO within a large geographic jurisdiction. The appellants stated they are overseeing of the provisions in the Balanced Budget Act of 1997. Several of these provisions are directly tied to the Agency's mission, and effect large numbers of the Agency's customers, e.g., beneficiary access to quality care as it is impacted by the interim payment system for home health agencies.

At Level 5-5 (325 points), the purpose of the work is to solve significant problems in the development of accounting systems or in the financial management of organization programs. At this level, some accountants coordinate the work of others, e.g., accountants, systems analysts, computer programmers, or functional program specialists, in developing and installing new accounting systems or managing accounting programs. Other accountants may develop specifications and requirements for the contractual development of financial management systems

that are integrated with personnel or supply management systems or they may serve as technical advisors or experts in the financial management aspects of specific functional programs and provide expert advice on the application and impact of new legislation or new initiatives originating at higher levels. Some accountants coordinate the management and operation of ongoing accounting programs where financial management advice and information is provided to numerous program officials who may be funded by a number of appropriations.

In all cases, the accountant provides expert advice to accountants, program officials and/or other specialists. The nature of this advice includes interpreting account regulations for systems development efforts or program operations, or providing (through an in-depth knowledge of specific accounting systems) an assessment of the impact of proposed systems features on major systems development or modification efforts, or providing other advice or direction of a comparable nature where the accountant functions as a technical authority or has significant advisory or coordinative responsibilities. The work affects the work of other expert accountants and other specialists and provides a basis for the comprehensive application of accounting principles, concepts, and techniques to the development or management of complex accounting systems and the resolution of agency financial management problems.

In contrast, at Level 5-6 (450 points) the purpose of the work is to plan and direct assignments vital to the success of the accounting program of a department or independent agency. Typically, at this level the assignments are not specific to a particular accounting system or systems but address the role of accounting in the solution of management problems. The accountant develops proposals that shape and control the direction of the accounting program over a number of years and influence such management concerns as manpower and training levels or the major reallocation of resources. Assignments at this level result in the development of wide ranging policies and affect the overall efficiency and economy of major agency programs.

The appellants are not delegated the authority or responsibility to decide the system and program issues found at Level 5-6. Providing direction and expert advice to their team members, and Medicare contractors and providers that must maintain operating systems that comply with established HCFA and higher level Government accounting requirements fully meets Level 5-5 given the complex systems these contractors manage. These functions are not equivalent, however, to providing program direction or expert advice and coordination for the overall direction of HCFA's accounting program in support of the overall HCFA health care mission contemplated Level 5-6. As discussed previously, these functions are vested at or above the HCFA Central Office in organizations that control the interpretation of new legislation and regulations affecting the HCFA mission. Providing input to those decisions falls substantially short of the scope and effect of work required for evaluation at Level 5-6. Accordingly, the position is evaluated properly at Level 5-5 (325 points).

### *Summary*

In sum, we have evaluated the appellants' position as follows:

Factor	Level	Points
1. Knowledge required by the position	1-8	1550
2. Supervisory controls	2-4	450
3. Guidelines	3-4	450
4. Complexity	4-5	325
5. Scope and effect	5-5	325
6. Personal contacts and	3	
7. Purpose of contacts		180
8. Physical demands	9	5
9. Work environment	8-1	5
Total points:	9-1	3,290

A total of 3,290 points falls within the GS-13 grade level point range of 3,155-3,600 points on the Grade Conversion Table in the GS-510 PCS.

### Decision

The appealed position is classified properly as Accountant, GS-510-13.