THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-1200

HEALTH AFFAIRS

SEP 23 2005

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (M&RA)
ASSISTANT SECRETARY OF THE NAVY (M&RA)
ASSISTANT SECRETARY OF THE AIR FORCE (M&RA)
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Policy for Implementing Payments of the Nurse Officer Accession Bonus and Incentive Special Pay for Nurse Anesthetists for Fiscal Year 2006

Attached is policy guidance for changes in payment amounts for the Nurse Officer Accession Bonus and Incentive Special Pay for nurse anesthetists in accordance with changes authorized in the National Defense Authorization Act for Fiscal Year 2003, signed into law on December 10, 2002.

Nurse Officer Accession Bonus and Incentive Special Pay for Nurse Anesthetists shall be administered in accordance with the policies established herein, in Title 37 U.S.C. and in Department of Defense Instruction 6000.13. In determining the allowable Fiscal Year 2006 rates for the Nurse Officer Accession Bonus and Incentive Special Pay for Nurse Anesthetists, the Health Professionals Incentive Integration Board considered manning, civilian income data, Military Health System requirements, and Service budget impact. I emphasize that possession of a current, unrestricted license (or approved waiver) is a prerequisite to enter into a special pay contract.

Please provide this office a copy of your implementing guidance within ten days of the date of this memorandum.

William Winkenwerder, Jr., MD

Attachments:
As stated

cc:
PDUSD (P&R)
ASD (RA)
Service Surgeons General
United States Public Health Service

HA POLICY: 05-016

NURSE OFFICER ACCESSION BONUS

A. Eligibility: To be eligible for the accession bonus, an individual must:

1. Be a graduate of an accredited school of nursing conferring a baccalaureate of science degree in nursing (BSN).

2. Be fully qualified to hold an appointment as a commissioned officer.

3. Execute a written agreement to accept a commission as an officer of the Nurse Corps of the Army or the Navy, an officer of the Air Force designated as a nurse, or an officer designated as a nurse in the commissioned corps of the Public Health Service, and to serve on active duty for a period of not less than three years. An individual who holds an appointment as a nurse officer in either the active or Reserve component is not eligible for the accession bonus. A former nurse officer who no longer holds an appointment, and is otherwise eligible, must have been discharged from any Uniformed Service at least two years prior to execution of the written agreement to receive the accession bonus.

4. Not have received financial assistance from the Department of Defense or the Department of Health and Human Services to pursue a course of study in nursing in exchange for an agreement to accept an appointment as a nurse officer. This includes, but is not limited to, participants of the Armed Forces Health Professions Scholarship Program and Financial Assistance Program.

5. Be qualified to become and remain a licensed BSN registered nurse, as determined by the Secretary of the Military Department (or designee) concerned.

B. Bonus Authorized: The Secretary of the Military Department concerned may, upon acceptance of the written agreement described in paragraph A.3., pay an accession bonus to an eligible individual in an amount that shall not exceed $15,000 for a three year contract or not to exceed $20,000 for a four year contract. Eligible individuals who sign a written agreement, on or after October 1, 2005, to serve on active duty in exchange for receiving the accession bonus are authorized to receive the accession bonus.

C. Recoupment:

1. An officer who receives an accession bonus and who fails to become and remain licensed as a BSN registered nurse during the period for which the payment is made shall refund to the United States an amount equal to the full amount of such payment.

2. An officer who voluntarily terminates service on active duty before the end of the obligated period shall refund to the United States the unserved portion of that payment.

3. An obligation to reimburse the United States under paragraph C. is, for all purposes, a debt owed to the United States.

D. Bankruptcy: A discharge in bankruptcy under Title 11 that is entered less than five years after the termination of an accession bonus agreement does not discharge a person from a debt arising under such agreement or paragraph C. This provision applies to any case commenced under Title 11 after October 1, 2004.

E. Responsibilities: The individual Military Departments shall be responsible for establishing procedures for the administration of Nurse Officer Accession Bonuses that shall be consistently applied to all officers in similar circumstances. The Department of Health and Human Services will promulgate corresponding policy and procedures for USPHS officers.

F. Authority: The Nurse Officer Accession Bonus is under the authority of 37 U.S.C. 302d, as amended by section 615 of the National Defense Authorization Act for Fiscal Year 2003 (Pub. L. No. 107-343).

INCENTIVE SPECIAL PAY (ISP) FOR CERTIFIED REGISTERED NURSE ANESTHETISTS (CRNAs)

A. Eligibility: A commissioned officer who:

1. Is an officer of the Nurse Corps of the Army or the Navy, an officer of the Air Force designated as a nurse, or an officer designated as a nurse in the commissioned corps of the Public Health Service: and

2. Is on active duty under a call or order to active duty for a period of not less than one year; and

3. Is a qualified certified registered nurse anesthetist with an active, full unrestricted license; and

4. Executes a written agreement to remain on active duty for a period of one year or more which is accepted by the Secretary concerned.

B. Bonus Authorized: The Secretary of the Military Department concerned may, upon acceptance of the written agreement described in paragraph A.4., pay an incentive pay to an eligible individual in an amount that shall not exceed
$20,000/yr for individuals who sign a one year contract.
$25,000/yr for individuals who sign a two year contract.
$35,000/yr for individuals who sign a three year contract.
$40,000/yr for individuals who sign a four year contract.
Each Secretary will set one rate for each category. Services may set rates for obligated individuals separately from those without obligations within the above schedule.

C. Termination of Entitlement to Special Pay: The Secretary (or designee) of the Military Department concerned may terminate at any time a Nurse Corps officer's entitlement to ISP. Reasons for termination may include, but are not necessarily limited to: loss of privileges, Courts Martial convictions, violations of the Uniform Code of Military Justice, failure to maintain a current, unrestricted license to practice as a nurse anesthetist, or reasons that are in the best interest of the Military Department concerned. If entitlement to ISP is terminated, the officer shall be paid, on a pro-rata basis, the portion served up to the official date of termination. The Military Departments shall establish regulations that specify the conditions and procedures under which termination may take place. The regulations and conditions for termination shall be included in the written service agreement for ISP.

D. Recoupment:

1. An officer who voluntarily terminates service on active duty before the end of the period agreed to be served under an agreement shall refund to the United States an amount that bears the same ratio to the amount paid to the officer as the unserved part of such period bears to the total period agreed to be served.

2. An obligation to reimburse the United States under paragraph D. is, for all purposes, a debt owed to the United States.

E. Bankruptcy: A discharge in bankruptcy under title 11 shall not release a person from an obligation to reimburse the United States required under the terms of an agreement for receipt of ISP if the final decree of the discharge in bankruptcy was issued within a period of five years after the last day of a period which such person had agreed to serve on active duty. This subsection applies to a discharge in bankruptcy in any proceeding that begins after November 29, 1989.

F. Responsibilities: The individual Military Departments shall be responsible for establishing procedures for the administration of Incentive Special Pay for Nurse Anesthetists that shall be consistently applied to all officers in similar circumstances. The Department of Health and Human Services will promulgate corresponding policy and procedures for USPHS officers.

G. Authority: Incentive Special Pay for Nurse Anesthetists is under the authority of 37 U.S.C. 302e, as amended by section 615 of the National Defense Authorization Act for Fiscal Year 2003 (Pub. L. No. 107-343).