



THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

AUG 9 2002

MEMORANDUM FOR SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE

SUBJECT: Fiscal Year 2003 Medical Officer Special Pay Plan

In accordance with Title 37, United States Code, and Department of Defense (DoD) Instruction 6000.13, the Fiscal Year 2003 Medical Officer Special Pay Plan is attached.

In determining the Fiscal Year 2003 rates for Multiyear Special Pay (MSP) and Incentive Special Pay (ISP), the Flag Officer Review Board considered physician manning, civilian income data, and Military Health System requirements. The Fiscal Year 2003 pay plan was also developed to ensure it could be supported by each Service's budget.

Medical officer special pay shall be administered in accordance with the policies established herein, in Title 37 U.S.C., and in DoDI 6000.13. I emphasize that possession of a current, unrestricted license (or approved waiver) is a prerequisite to enter into a special pay contract. The special pay plan now reflects this requirement in unambiguous terms. Please provide this office a copy of your implementing guidance within 30 days of the date of this memorandum.

A handwritten signature in black ink that reads "William Winkenwerder, Jr." with a stylized flourish at the end.

William Winkenwerder, Jr., MD

Attachment:
As stated

cc:
ASD(FMP)
ASD(RA)
Surgeon General of the Army
Surgeon General of the Navy
Surgeon General of the Air Force
United States Public Health Service
Defense Finance and Accounting Service

FY03

Multiyear Special Pay (MSP) and Incentive Special Pay (ISP) Rates**Table 1. MSP Rates**

MSP LEVEL	Length of MSP Agreement		
	4 Year	3 Year	2-Year
1	\$14,000	\$13,000	\$12,000
2*	\$10,000	\$9,000	\$8,000
3*	\$ 8,000	\$7,000	\$6,000
4*	\$0	\$0	\$0

*Not used in FY03

Table 2. FY03 MSP Levels and ISP Pay Rates

Specialty	FY03 MSP Level	FY03 Annual ISP Amount
Anesthesiology	1	\$36,000
Dermatology	1	\$18,000
Emergency Medicine	1	\$26,000
Family Practice	1	\$13,000
Gastroenterology (see note 1)	1	\$26,000
General Surgery	1	\$29,000
Internal Medicine	1	\$14,000
Neurology	1	\$14,000
Neurosurgery	1	\$36,000
OB/GYN	1	\$31,000
Ophthalmology	1	\$28,000
Orthopedics	1	\$36,000
Otolaryngology	1	\$30,000
Pathology	1	\$16,000
Pediatrics	1	\$12,000
Prev/Occ/Phys Med & Aero Med	1	\$13,000
Psychiatry	1	\$15,000
Radiology	1	\$36,000
Subspecialty Category I	1	\$36,000
Subspecialty Category II	1	\$28,000
Subspecialty Category III (see note 1)	1	\$23,000
Subspecialty Category IV	1	\$14,000
Urology	1	\$28,000

Notes:

1. Removes Gastroenterology (including pediatric subspecialty) from Subspecialty Cat. III and makes it independent for the purposes of this pay plan.

Table 3.
Medical Officer
Variable Special Pay (VSP)

Years of Creditable Service	Annual Entitlement
Undergoing Internship	\$ 1,200
Less than 6	\$ 5,000
At least 6, less than 8	\$12,000
At least 8, less than 10	\$11,500
At least 10, less than 12	\$11,000
At least 12, less than 14	\$10,000
At least 14, less than 18	\$ 9,000
At least 18, less than 22	\$ 8,000
22 or more	\$ 7,000
Above pay grade O-6	\$ 7,000

Table 4.
Medical Officer
Board Certified Pay (BCP)

Years of Creditable Service	Annual Entitlement
Less than 10	\$2,500
At least 10, less than 12	\$3,500
At least 12, less than 14	\$4,000
At least 14, less than 18	\$5,000
18 or more	\$6,000

**FY03 (changes highlighted, FY02 rates in parenthesis)
Multiyear Special Pay (MSP)
and Incentive Special Pay (ISP) Rates**

Table 1. MSP Rates

MSP LEVEL	Length of MSP Agreement		
	4 Year	3 Year	2-Year
1	\$14,000	\$13,000	\$12,000
2*	\$10,000	\$9,000	\$8,000
3*	\$ 8,000	\$7,000	\$6,000
4*	\$0	\$0	\$0

*Not used in FY03

Table 2. FY03 MSP Levels and ISP Pay Rates

Specialty	FY03 (FY02) MSP Level	FY03 (FY02) Annual ISP Amount
Anesthesiology	1	\$36,000
Dermatology		\$18,000
Emergency Medicine		\$26,000
Family Practice	1	\$13,000
General Surgery	1	\$29,000
Internal Medicine		\$14,000
Neurology		\$14,000
Neurosurgery	1	\$36,000
OB/GYN		\$31,000
Ophthalmology		\$28,000
Orthopedics	1	\$36,000
Otolaryngology		\$30,000
Pathology		\$16,000
Pediatrics		\$12,000
Prev/Occ/Phys Med & Aero Med		
Psychiatry	1	\$15,000
Radiology	1	\$36,000
Subspecialty Category I	1	\$36,000
Subspecialty Category II		
		\$23,000
Subspecialty Category IV		\$14,000
Urology		\$28,000