

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Chapter CC22 -- Pay and Allowance Administration
Subchapter CC22.2 -- Special Pays
Personnel INSTRUCTION 8 -- Pharmacist Special Pays

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Section A. Purpose and Scope

This INSTRUCTION states the conditions and circumstances under which Public Health Service (PHS) Commissioned Corps pharmacists may be authorized special pay and if so, the applicable special pay rates. The purpose of special pays is to aid the Department of Health and Human Services (HHS) in recruiting and retaining selected professional pharmacists.

Section B. Authority

1. Pursuant to 37 United States Code (U.S.C.) § 303(b)(1), a "commissioned officer in the Regular or Reserve Corps of the Public Health Service is entitled to special pay under ... Chapter 5, "Special and Incentive Pays"... in the same amounts, and under the same terms and conditions, as a commissioned officer of the armed forces is entitled to special pay under" the same provision. See Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398), effective October 30, 2000.
2. The statutory authorities for pharmacist special pays and bonuses are as follows: 37 U.S.C. § 302c (Special pay: psychologists and nonphysician health care providers), 37 U.S.C. § 302i (Special pay: pharmacy officers); 37 U.S.C. § 302j (Special pay: accession bonus for pharmacy officers); and 37 U.S.C. § 303a (Special pay: health professionals; general provisions).
3. The regulation for pharmacist special pays is located at CC42.2-I8, "Pharmacist Special Pays: Variable Special Pay (VSP), Nonphysician Board Certified Pay (NPBCP), and Accession Bonus (AB)."
4. Section 215 (b) of the PHS Act (42 U.S.C.) §216(b))authorizes the Secretary to promulgate regulations necessary to administer the Commissioned Corps of the PHS.
5. The authority to administer the PHS Commissioned Corps personnel system was re-delegated to the Assistant Secretary for Health (ASH) as provided at 53 Federal Register 3457, February 5, 1988.
6. The ASH re-delegated to the Surgeon General (SG) those authorities necessary to administer the PHS Commissioned Corps personnel system as provided at 53 Federal Register 5046-5047, February 19, 1988.

Section C. Definitions

For purposes of this INSTRUCTION, the following definitions apply:

1. Accession Bonus (AB) Contract. A written, signed, and notarized agreement in which a person agrees to accept a commission as a PHS pharmacist and remain on active duty for a period of not less than 4 years, beginning on the effective date of the agreement, as a condition for payment of an AB.
2. Board Certified. An officer who has successfully completed examination in a pharmacy specialty administered by the Board of Pharmaceutical Specialties.
3. Call or order to active duty (CAD) for not less than 1 year. An order to active duty by personnel order which either:
 - a. Specifies no terminal date for the CAD; or

- b. Specifies a terminal date for the tour of active duty that is at least 1 year after the effective date of the CAD.
4. Creditable Service. All periods of active duty in any of the Uniformed Services as a pharmacist officer. Creditable Service Entry Date (CSED) reflects the period of established creditable service.
5. Internship. A formal program of postgraduate training in pharmacy.
6. Personnel Order. An official commissioned corps personnel document issued by the SG:
 - a. appointing, or officially announcing the appointment of a commissioned officer;
 - b. ordering an officer to active duty;
 - c. officially effectuating, documenting, and announcing commissioned corps personnel actions;
 - d. authorizing travel and transportation; or
 - e. authorizing pays and allowances.
7. Pharmacist. A person who has been commissioned as either a Reserve or Regular Corps officer in the PHS pursuant to CC23.3-I4, "Appointment Standards and Appointment Boards," and who in addition, has met all of the pharmacy appointment standards listed under Exhibit VIII of CC23.3-I4. For purposes of this INSTRUCTION only, any pharmacist appointed to the Reserve Corps of the PHS pursuant to CC23.3-I4 who is serving a license-limited tour not to exceed 1 year, will be deemed a pharmacist for purposes of receiving the special pays provided by 37 U.S.C. § 302i and 37 U.S.C. § 302j. See also CC43-I1, "Titles" which sets out the category titles of officers other than medical officers.
8. Pro rata refund of an accession bonus. If a pro rata refund to the United States is required, the refund amount shall be an amount that bears the same ratio to the amount paid to the pharmacist as the unserved part of such period bears to the total period agreed to be served.
9. Residency training. A formal program of postgraduate training in pharmacy that is approved by a nationally recognized accrediting body.

Section D. Variable Special Pay (VSP) for Pharmacists

1. Eligibility. Any Regular or Reserve Corps pharmacist who is serving on active duty on or after October 1, 2001, is eligible for VSP as long as the pharmacist is:
 - a. Serving in a pay grade below O-7; and

- b. On active duty under a call or order to active duty for a period not less than 1 year as defined in Section C.3.

VSP is payable to eligible pharmacists in the amounts specified in 37 U.S.C. 302i (Special pay: pharmacy officers). Such amounts will be paid in equal monthly installments. VSP is payable to all eligible pharmacists serving on active duty, including those: (1) undergoing pharmacy internship training defined in Section C.5.; (2) undergoing training as a pharmacy resident as defined in Section C.9.; (3) undergoing other approved training; and (4) serving obligatory periods of service.

- 2. Rates of VSP. The rates of VSP that an otherwise eligible pharmacist may be paid are listed in Exhibit I and are dependent upon:
 - a. Whether or not the pharmacist is performing an internship as defined in Section C.5.; and
 - b. The pharmacist's years of creditable service, as defined in Section C.4.
- 3. Establishment of Creditable Service Entry Date (CSED). An officer's CSED will be based on that officer's:
 - a. Active-duty service with the PHS as a pharmacist officer; and
 - b. All other documented active-duty service with any of the Uniformed Services as a pharmacist officer.
- 4. Mailing Address. All correspondence relating to pharmacist special pays should be forwarded to:

Division of Commissioned Personnel
ATTN: Compensation Branch
5600 Fishers Lane, Room 4-50
Rockville, MD 20857-0001

Section E. Nonphysician Board Certified Pay (NPBCP)
for Pharmacists

- 1. Eligibility. To be eligible for NPBCP, a pharmacist must:
 - a. Be a pharmacist that is granted privileges;
 - b. Have a post baccalaureate degree in pharmacy;
 - c. Have satisfied all board certification requirements and must be considered by the board to be fully certified; and
 - d. Be serving on active duty pursuant to a call or order to active duty for not less than 1 year as defined in Section C.3.

2. NPBCP Rates. NPBCP rates (see Exhibit II) are based on a pharmacist's years of creditable service as defined in Section C.4. Such amounts will be paid in equal monthly installments in the amounts specified in 37 U.S.C. 302c.
3. Documentation. To receive the NPBCP, a pharmacist must provide the Compensation Branch, Division of Commissioned Personnel (DCP) with the following documentation upon call to active duty or date of board certification.
 - a. A photocopy of the signed certificate indicating that the officer has fulfilled all board certification requirements and is considered by the Board to be fully certified; or
 - b. A photocopy of a congratulatory letter from the certification board which was signed by an appropriate official of the Board indicating that the officer satisfied all board certification requirements and is considered by the Board to be fully certified. The congratulatory letter should specify the date on which the officer became board certified.
4. Effective Date of Payment. The effective date upon which a pharmacist may begin to receive NPBCP is the pharmacist's:
 - a. CAD date for officers who are board certified when called to active-duty, provided all necessary documentation of specialty certification has been provided to DCP; or
 - b. The date of board certification, for officers who become board certified after their CAD, provided all necessary documentation of specialty certification has been provided to DCP.
 - c. NPBCP may not be paid earlier than October 1, 1997.
5. Limitation on Entitlement. Officers who are board certified in two or more specialties are entitled to only one NPBCP payment per month.
6. This INSTRUCTION supercedes CC22.2-11-J "Board Certified Pay for Nonphysician Health Care Providers," in so far as Section J. applies to PHS pharmacists receiving NPBCP. This INSTRUCTION does not however, revise, revoke, or modify Section J. with respect to any other health care provider receiving NPBCP under said section.

Section F. Accession Bonus (AB) for Pharmacists

1. Eligibility. During the period beginning October 30, 2000, and ending on September 30, 2004, or as otherwise amended by public law, persons may be eligible for AB if they:

- a. Meet the general PHS Commissioned Corps Appointment Standards and the specific Appointment Standards for the Pharmacy category (See CC23.3-I4);
 - b. Initiate a contract with the PHS Commissioned Corps to serve on extended active duty as a commissioned officer in the Pharmacy category for not less than 4 years;
 - c. Complete and submit a notarized contract within 60 days of his/her CAD for acceptance by HHS; and
 - d. Have a current and unrestricted license as a registered professional pharmacist in accordance with appointment standards. A pharmacist who is serving a license limited tour may submit an AB contract within 60 days of the pharmacist's CAD with the provision that the contract will not be placed into effect by HHS, nor will payment of the AB be made until the pharmacist holds and submits to DCP a license as defined in CC26.1-I4. If and when the contract is accepted by HHS following licensure, the effective date of the contract will be the date of the officer's CAD.
2. Limitations on Eligibility. A person is not eligible for an AB if:
- a. The individual has previously been paid an AB by HHS;
 - b. The individual has been CAD as an inter-service transfer or served on extended active duty in another Uniformed Service within the past 24 months;
 - c. The individual received financial assistance from the Department of Defense (DOD) or HHS to pursue a course of study in pharmacy in exchange for an agreement accepting appointment as a warrant officer or commissioned officer;
 - d. In exchange for an agreement to accept employment with HHS, the person accepted financial assistance from HHS to pursue a course of study in pharmacy;
 - e. The individual has received financial assistance from HHS to pursue a course of study for which there exists an unfulfilled training related service obligation; or
 - f. The individual is serving a program-limited tour of duty of less than 4 years.
3. AB Rate. The AB is payable in an amount that will not exceed \$30,000, and is payable as a lump-sum in a regularly-scheduled salary payment within 90 days of the receipt of the notarized and approved contract by the Compensation Branch, DCP (See Exhibit IV for rates).

4. Voluntary Termination of AB Contract

A pharmacist who voluntarily terminates his or her service on active duty shall be required to repay a pro rata portion of the AB. In addition, the pharmacist and his or her dependents shall be divested of entitlements for travel and transportation allowances, shipment of household goods, and transfer of, use of, and payment for unused annual leave. Officers separating prior to the end of the contract shall have their commission terminated.

5. Involuntary Termination of AB Contract

- a. Professional Qualifications. A pharmacist who receives an AB and who fails to remain licensed as a pharmacist during the contract period for which the payment is made will be required to refund the full amount of the AB payment.
- b. Misconduct. An officer disciplined under PHS Commissioned Corps regulations and punished by a reduction in grade, or more severe administrative action, or an officer who is separated from active-duty for substandard performance or misconduct under the probationary authority prescribed in CC23.7-11 will have his or her contract terminated as of the date of the disciplinary or separation action. The officer will be required to repay a pro rata portion of the payment.
- c. Leave Without Pay (LWOP) Status. An officer who enters LWOP status will have his or her contract terminated as of the effective date of the LWOP. An officer whose AB contract is terminated under this provision will be required to repay a pro rata portion of the payment received.
- d. Involuntary Retirement. An officer who is involuntarily retired under the provisions contained in CC23.8-13 will have his or her AB contract terminated on the effective date of the officer's retirement. An officer whose AB contract is terminated under this provision will be required to repay a pro rata portion of the payment.
- e. Disability Retirement. An officer who is retired (temporarily or permanently) for disability while serving under an AB contract, will have his or her contract automatically terminated as of the date the officer is placed in retired status. An officer whose AB contract is terminated under this provision will not be required to repay a pro rata portion of the payment, provided that the disability is not the result of misconduct or willful neglect and not incurred during a period of unauthorized absence. An officer eligible for an AB contract, who is considering applying for a disability retirement, may sign an AB contract since there is no assurance that the disability retirement will be approved.

- f. Involuntary Separation/Retirement for Convenience of the Government. An officer who is released from active duty or retired because of a reduction in strength, numbers limitation, or other reasons for the convenience of the Government, while serving under an AB contract, will have his or her contract automatically terminated as of the date of the officer's separation or retirement. There will be no repayments of any bonus payments already received. This does not apply to those officers who are involuntarily separated due to unacceptable performance.
- g. Death. In the event an officer dies while serving under an AB contract, the contract is automatically terminated as of the date of the officer's death. No repayment of the AB is required for amounts previously received by the officer, so long as, the death is not the result of misconduct or willful neglect, and is not incurred during a period of unauthorized absence
6. Absent Without Leave (AWOL). Any period during which an officer is determined to be in an AWOL status will not be credited toward the fulfillment of an active-duty obligation incurred pursuant to an AB contract, and will serve to extend the period of active duty required by the contract. See 37 U.S.C. 503(b), Section C1, and also CC43.7-I1-D.

Section G. Responsibilities

1. The Surgeon General. The SG is responsible for:
- a. Issuing implementing instructions for administering the special pay programs; and
 - b. Authorizing payments in accordance with the needs of the Service.
2. Director, DCP. The Director, DCP, is responsible for the overall administration of the pharmacist special pays program and such duties include, but are not limited to:
- a. The development and implementation of its policies and procedures subject to the SG's approval;
 - b. The evaluation of the pharmacist special pays program's effectiveness with respect to the recruitment and retention of PHS pharmacists;
 - c. Making a determination as to whether a pharmacist is eligible to receive any of the special pays mentioned in this INSTRUCTION;
 - d. Obtaining a written acknowledgment from the pharmacist's Agency/Operating Division (OPDIV)/Program that the individual meets a basic review of eligibility criteria;

- e. Preparing and issuing personnel orders authorizing, adjusting, or terminating special pays;
 - f. The enforcement of policies pertaining to:
 - (1) Leave Without Pay (LWOP) details;
 - (2) Extramural and Intramural training opportunities; and
 - (3) Pharmacist credentialing and licensure.
 - g. Notifying the officer and appropriate HHS collection official concerning an officer's indebtedness resulting from voluntary or involuntary termination of a special pay contract; and
 - h. Recommending policy changes to the SG and regulatory changes to the Secretary, HHS.
3. Agency/OPDIV/Program. The Agency/OPDIV/Program to which the officer is assigned is responsible for:
- a. Designating an appropriate individual responsible for distributing special pay contracts; and
 - b. Performing an initial review of the pharmacist's eligibility for a special pay contract, and to acknowledge as such in writing to the Director, DCP,
4. Individual Officers. Pharmacists must comply with:
- a. Application procedures set forth in this INSTRUCTION and provide all information requested by the Director, DCP, in conjunction with the review of his or her special pay;
 - b. CC26.1-I3, "Officers' Responsibilities for Submission of Personnel and Pay and Allowances Information," and all future amendments thereof;
 - c. All other applicable laws, commissioned corps regulations, and instructions; and
 - d. All terms of the special pay contract.

Section H. Cross References

- 1. 37 U.S.C. § 302c (Special pay: psychologists and nonphysician health care providers): 37 U.S.C. § 302i (Special pay: pharmacy officers): 37 U.S.C. § 302j (Special pay: accession bonus for pharmacy officers): and 37 U.S.C. § 303a (Special pay: health professional; general provisions).
- 2. 37 U.S.C. § 503(b).
- 3. 42 U.S.C. § 215(b)(c).
- 4. CC23.3-I4, "Appointment Standards and Appointment Boards."
- 5. CC23.8-I6, "Disability Retirement."
- 6. CC25.2-I1, "Extramural Training."
- 7. CC25.2-I3, "Intramural Residency Training Programs."

8. CC26.1-I3, "Officers' Responsibilities for Submission of Personnel and Pay and Allowances Information."
9. CC29.1-I1, "Leave of Absence; General."
10. CC43.7-I1, "Separation of Officers in the Regular and Reserve Corps Without Consent of the Officers Involved."
11. CC43.8-I1, "Retirement of PHS Commissioned Officers."
12. CC42.2-I8, "Pharmacist Special Pay."

Section I. Historical Data

This is the first commissioned corps regulation on Pharmacist Special Pays.

Section J. Privacy Act Provisions

Personnel records are subject to the provisions of the Privacy Act of 1974. The applicable systems of records are: 09-40-0001, "PHS Commissioned Corps General Personnel Records, HHS/PSC/HRS," and 09-40-0006, "PHS Commissioned Corps Payroll Records, HHS/PSC/HRS."

EXHIBIT I

Rates of VSP for Pharmacist Officers
(Effective October 1, 2001)Years of Creditable Service (Pay Grades O-1 - O-6) Variable Special Pay
(on annual basis)

Undergoing pharmacy internship training	\$3,000
Less than 3 years	\$3,000
At least 3 but less than 6 years	\$7,000
At least 6 but less than 8 years	\$7,000
At least 8 but less than 12 years	\$12,000
At least 12 but less than 14 years	\$10,000
At least 14 but less than 18 years	\$9,000
18 or more years	\$8,000
Serving in Pay Grades Above O-6	-0-

EXHIBIT II

Nonphysician Specialty Boards
(Effective October 1, 1997)

Pharmacy: (Board Certified)

Sponsor: American Pharmaceutical Association
Responsibility: American Board of Pharmaceutical Specialties
Boards:

1. Nuclear Pharmacy
2. Pharmacotherapy
3. Nutrition Support Pharmacy Practice
4. Oncology Pharmacy
5. Psychiatric Pharmacy

EXHIBIT III

Nonphysician Board Certified Pay (NPBCP) Rates

Years of Creditable Service

<u>Over</u>	<u>Less than</u>	<u>Annual Payment</u>	<u>Monthly</u>
	10 years	\$2,000	\$166.66
10 years	12 years	\$2,500	\$208.33
12 years	14 years	\$3,000	\$250.00
14 years	18 years	\$4,000	\$333.33
18 years		\$5,000	\$416.66

Exhibit IV
Accession Bonus (AB) Rates

For officers called to active duty between October 30, 2000 and October 1, 2001:

Number of Years Required	Amount of Accession Bonus
4 Years	\$10,000

For officers called to active duty on or after October 1, 2001:

Number of Years Required	Amount of Accession Bonus
4 Years	\$30,000