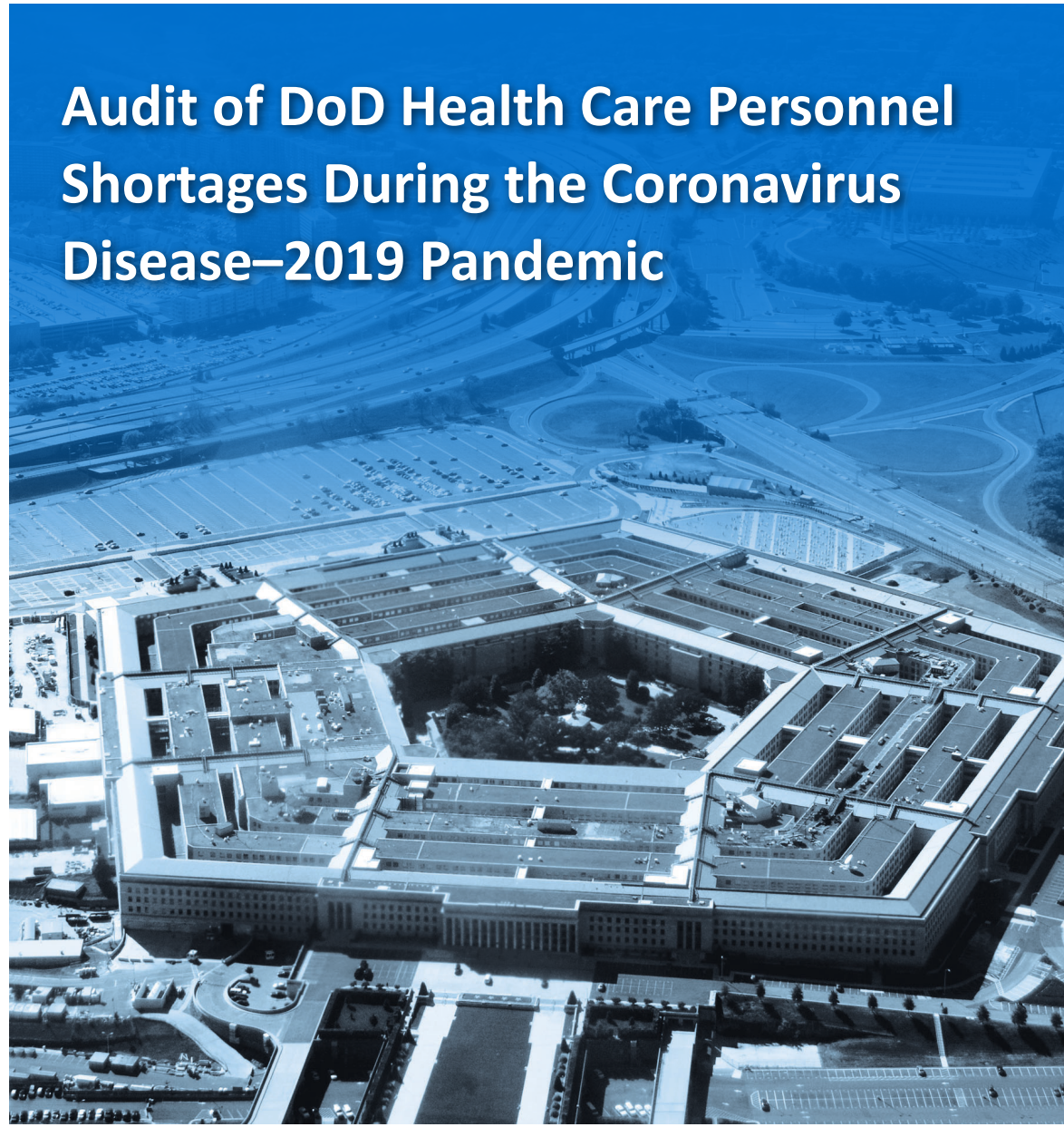




INSPECTOR GENERAL

U.S. Department of Defense

MAY 23, 2024



Audit of DoD Health Care Personnel Shortages During the Coronavirus Disease—2019 Pandemic





Results in Brief

Audit of DoD Health Care Personnel Shortages During the Coronavirus Disease–2019 Pandemic

May 23, 2024

Objective

The objective of this audit was to determine whether selected DoD medical treatment facilities (MTFs) experienced shortages in health care personnel before and during the COVID-19 pandemic. As our audit continued, we used the available data from the Defense Health Agency (DHA) to examine ongoing medical staffing challenges as well.

Background

Throughout the COVID-19 pandemic, health care facilities had to be prepared for potential staffing shortages and have plans and processes in place to mitigate these shortages. However, shortages of health care personnel existed before the pandemic and continue to exist.

The FY 2017 and FY 2019 National Defense Authorization Acts (NDAAs) required that the Military Departments transition the administration of all MTFs to the DHA for the purpose of implementing an integrated system of readiness and health. At the time of our interviews, the MTFs had transitioned, or were in the process of transitioning, their civilian personnel to the DHA.

Findings

Officials from all 24 sampled MTFs reported shortages in health care positions, such as nurses, medical officers, and behavioral health care personnel, before and during the COVID-19 pandemic. DHA staffing data showed that over 6,000 civilian positions across the sampled MTFs were vacant as of January 2023, and eight MTFs had 25 percent or more vacant DHA civilian positions.

Findings (cont'd)

MTF officials reported that the shortages existed because of the following.

- The DoD did not take advantage of a law allowing the DoD to establish its own competitive pay rates and qualification requirements for health care personnel because of the complexities and limitations involved with implementing the authorities.
- Federal law and DoD guidance required the DoD to wait 180 days before appointing retired Service members to a civilian position.
- Civilian health care personnel working outside of the continental United States (OCONUS) are limited to 5-year assignments with the opportunity to extend in 2-year increments.
- The approval process for extensions for civilian health care personnel in OCONUS MTFs was lengthy.

As a result of the shortages in health care personnel, Service members and their beneficiaries experienced a decrease in access to care, patient satisfaction, and preventative screenings and care. Health care personnel working at the MTFs during the COVID-19 pandemic experienced increased work hours and responsibilities that led to burnout, decreased morale, and limited access to medical cases necessary to gain or maintain their skills. Furthermore, the DoD experienced impacts to military readiness as personnel shortages in the MTF laboratories caused delays in COVID-19 testing required for deployments.

Recommendations

We made several recommendations to the DHA Director to help recruit and retain health care personnel, including developing and implementing plans to: (1) establish competitive pay rates and qualification requirements for nursing and other hard to fill medical positions, (2) establish approval authority and maximum approval time frames for OCONUS extensions, and (3) apply strategies and incentives for attracting entry-level registered nurses.



Results in Brief

Audit of DoD Health Care Personnel Shortages During the Coronavirus Disease–2019 Pandemic

Recommendations (cont'd)

We also recommended that the Under Secretary of Defense for Personnel and Readiness (USD[P&R]): (1) determine whether the DoD needs to extend waiving the authority to appoint retired Service members to a covered civilian health care position within 180 days beyond September 30, 2025; and (2) develop and implement a plan to exclude health care positions that are difficult to fill from the 5-year continuous service limitation if it is determined to be in the best interest of the DoD.

Management Comments and Our Response

The Acting Under Secretary of Defense for Personnel and Readiness' comments and actions taken addressed the specifics or satisfied the intent of eight of the ten recommendations to the USD(P&R) and the DHA

Director; therefore, eight recommendations are resolved, of which four are closed, and four remain open. We will close the remaining four recommendations once we verify that the information provided and actions taken by the USD(P&R) and the DHA Director fully address the recommendations. The Acting USD(P&R), responding for the DHA Director, did not fully address the specifics of two recommendations related to extending the waiver authority to appoint retired Service members to a covered civilian health care position and establishing and monitoring maximum time frames to approve extensions for civilian personnel overseas. We request that the Acting USD(P&R) provide additional comments within 30 days in response to the final report for those two recommendations. Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense for Personnel and Readiness	2.a	None	2.b, 2.c
Under Secretary of Defense for Personnel and Readiness (responding on behalf of the Director, Defense Health Agency)	3.b	1.a, 1.c, 3.a, 3d	1.b, 3c

Please provide Management Comments by June 24, 2024.

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.





OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

May 23, 2024

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR PERSONNEL
AND READINESS
DIRECTOR, DEFENSE HEALTH AGENCY

SUBJECT: Audit of DoD Health Care Personnel Shortages During the Coronavirus
Disease-2019 Pandemic (Report No. DODIG-2024-086)

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

This report contains recommendations that are considered unresolved because the Acting Under Secretary of Defense for Personnel and Readiness did not fully address the recommendations presented in the report.

Therefore, the recommendations remain open. We will track these recommendations until management has agreed to take actions that we determine to be sufficient to meet the intent of the recommendations and management officials submit adequate documentation showing that all agreed-upon actions are completed.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Send your response to audityorktown@dodig.mil.

If you have any questions, please contact me at [REDACTED]

FOR THE INSPECTOR GENERAL:

A handwritten signature in black ink, appearing to read "Carmen J. Malone", is positioned above the printed name.

Carmen J. Malone
Assistant Inspector General for Audit
Acquisition, Contracting, and Sustainment

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Introduction

Objective

The objective of this audit was to determine whether selected DoD medical treatment facilities (MTFs) experienced shortages in health care personnel before and during the COVID-19 pandemic. This audit was part of a joint project led by the DoD Office of Inspector General (DoD OIG) in support of the Pandemic Response Accountability Committee (PRAC). The PRAC issued a separate report on September 21, 2023, that reviewed personnel shortages at facilities across four Federal agencies' health care programs, or the providers they reimburse.¹ This DoD OIG report focuses on DoD shortages in health care personnel before and during the COVID-19 pandemic and issues recommendations for corrective action. As our audit continued, we used the available data from the DHA to examine ongoing medical staffing challenges as well. See the Appendix for details on the audit scope and methodology.

Background

COVID-19 is an infectious disease that can cause a wide spectrum of symptoms. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. On March 13, 2020, the President of the United States declared the COVID-19 outbreak a national emergency. As the COVID-19 pandemic progressed, health care facilities had to be prepared for potential staffing shortages and have plans and processes in place to mitigate these shortages.

While personnel shortages existed in the health care community before the pandemic, the pandemic exacerbated these shortages. As the pandemic progressed, personnel illnesses, exposures to COVID-19, or the need to care for family members caused additional staffing shortages. Moreover, the MTFs provided military personnel to assist in the National response to the pandemic, exacerbating shortages within the DoD's health care program. Although the World Health Organization declared an end to the pandemic on May 5, 2023, the shortages of health care personnel continue to exist.

The MTFs provided military personnel to assist in the National response to the pandemic, exacerbating shortages within the DoD's health care program.

¹ PRAC report 2023-03, "Review of Personnel Shortages in Federal Health Care Programs During the COVID-19 Pandemic," September 21, 2023. This report can be accessed at the www.pandemicoversight.gov website.

The PRAC report highlighted that actions were necessary to ensure that Federal health care programs were staffed sufficiently to continue normal operations, as well as strategically plan for surges of health care personnel needed to respond to future pandemics and other health care emergencies. Additionally, the PRAC encouraged policymakers to further explore the impacts of personnel shortages within the Federal health care programs to develop strategies to mitigate staffing shortages and help ensure quality, safe, and timely health care is provided to the individuals the programs serve. This DoD OIG report focuses on DoD shortages in military, civilian, and contractor health care personnel before and during the COVID-19 pandemic. The report issues recommendations for corrective action that could improve the DoD's efforts with the recruitment and retention of health care personnel in the future.

Nationwide Shortages of Health Care Providers

According to a report by the Department of Health and Human Services, personnel shortages have been a primary challenge in the management of patient surges during the COVID-19 pandemic and other disasters.² According to the report, health care providers became ill, family concerns decreased the ability of personnel to work extra hours, school closures prevented personnel from performing normal duties, and physical and emotional fatigue caused burnout. Further, the report stated that many health care workers reduced working hours, left the field, or took contract jobs, which further depleted the workforce and increased the stressors on remaining employees.

Maintaining appropriate personnel in health care facilities is essential to providing a safe work environment for health care providers and quality patient care. However, studies conducted before the pandemic pointed to a nationwide shortage of health care personnel. As the nation's health care workforce combated

The Bureau of Labor and Statistics projected that registered nursing would experience 194,500 openings each year through 2030.

the COVID-19 pandemic, a report from the Association of American Medical Colleges projected that the United States would face a shortage of 54,100 to 139,000 physicians by 2033.³ Furthermore, the Bureau of Labor and Statistics projected that registered

nursing would experience 194,500 openings each year through 2030, when nurse retirements and workforce exits are factored into the number of nurses needed in the United States.

² "Healthcare Provider Shortages: Resources and Strategies for Meeting Demand," Health and Human Services, Administration for Strategic Preparedness and Response, Technical Resources, Assistance Center, and Information Exchange, November 2021.

³ "The Complexities of Physician Supply and Demand: Projections from 2018 to 2033," Association of American Medical Colleges, June 2020.

In March 2022, the White House issued the National COVID-19 Preparedness Plan that included a strategy to support and invest in the health care and public health workforces. While the plan mentioned the Government's surge response for deploying Federal health care personnel to support vaccination sites, testing sites, and hospital personnel shortages, the Government and DoD were not exempt from shortages in health care personnel.

Military Health System

According to the DHA, the Military Health System (MHS) is the most comprehensive military health care enterprise in the world. The MHS provides direction, resources, health care providers, and other means necessary to foster, protect, sustain, and restore health to over 9.6 million active duty Service members, military retirees, and their families. Health care services are delivered through two systems—the direct care system consisting of the DoD's MTFs, located worldwide, and the purchased care system consisting of partnerships with civilian health care provider facilities operated through TRICARE regional contracts.⁴ MTFs, or military hospitals and clinics, are the core of military medicine, where military, civilian, and contractor personnel provide care for beneficiaries and gain the skills and training to support operational units. As of December 2, 2022, the MHS consisted of 45 military hospitals, 525 outpatient and occupational health clinics, and 138 dental clinics.

MTFs are led by MTF Directors or Commanders and include personnel in areas such as administration, medical delivery, and ancillary support. The MTFs vary in size and offer different services; therefore, personnel staffed at these facilities range from primary care providers to a wide range of specialists, including providers for mental health, obstetrics, urology, and dermatology. According to the DHA, 70,422 Service members and 58,163 civilians, or more than 128,000 health care personnel, were staffed at the MTFs in FY 2022.⁵

According to the DHA's FYs 2022-26 campaign plan, by 2026, the DHA will be a joint operational headquarters responsible for managing, executing, and delivering high-quality health care, medical education and training, military medical research and development, and public health support to MHS beneficiaries and the Services. Section 702 of the FY 2017 National Defense Authorization Act (NDAA) and sections 711 and 712 of the FY 2019 NDAA required that the Military Departments transition the administration of all MTFs to the DHA for the purpose of implementing an integrated system of readiness and health.⁶

⁴ TRICARE regional contractors provide health care services and support beyond what is available at military hospitals and clinics.

⁵ "Evaluation of the TRICARE Program: Fiscal Year 2023 Report to Congress, Access, Cost, and Quality Data through Fiscal Year 2022," February 28, 2023.

⁶ Public Law 115-232, "John S. McCain National Defense Authorization Act for Fiscal Year 2019," August 13, 2018; Public Law 114-328, "National Defense Authorization Act for Fiscal Year 2017," December 23, 2016.

The Deputy Secretary of Defense paused the MHS transition from April 2 through November 9, 2020, to realign personnel and resources to support the pandemic mission. The transition resumed after the pause and, in a February 24, 2022 memorandum, the Deputy Secretary of Defense directed the continued implementation of MHS organizational reform by directing the DHA to assume authority, control, and direction of military hospitals, clinics, and dental treatment facilities, including the MTFs located overseas.

At the time of our interviews, the MTFs had transitioned, or were in the process of transitioning, their civilian personnel to the DHA. According to officials in the Human Capital Division at the DHA, the DHA completed the transition of the MTFs on October 23, 2022. The last milestone of the MTF transfer included transferring the MTF civilian personnel from the Military Departments to the DHA. However, active duty Service members working in the MTFs fall under the operational control of their respective Military Departments. The Military Departments are responsible for identifying the medical readiness requirements of their Service members, and the DHA is responsible for meeting those requirements.

Shortages of Health Care Personnel in the Military Health System

On January 12, 2022, the Under Secretary of Defense for Personnel and Readiness (USD[P&R]) submitted a report to Congress that addressed the shortage of behavioral health providers in the DoD, using pre-COVID-19 data.⁷ The report identified recruitment challenges facing the direct care network, including active duty military authorizations, dedicated funding and personnel for recruitment, salary caps, lengthy hiring processes, remote locations, and national behavioral health provider shortages. The report identified that limits to compensation for civilians and active duty military providers made recruitment and retention difficult.

Although the report to Congress supported recruitment challenges before the pandemic, MTF officials reported that recruiting behavioral health providers was even more difficult during the pandemic. According to the report, other Government agencies, such as the U.S. Department of Veterans Affairs (VA), had more legal flexibility in civilian pay structure and plans, making competition for behavioral health professionals uneven across Government health care providers.

⁷ "Behavioral Health Requirements of the Department of Defense," as requested by House Report 116-442, Page 150, accompanying H.R. 6395, "The William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021," January 3, 2022.

DoD Authority for Title 38 of the United States Code

In 1975, Congress first authorized the VA to offer increased salaries to physicians and dentists using title 38 authority because Congress considered the existing salaries to be noncompetitive, since the last pay increase had occurred in 1969.⁸ Since then, Congress has expanded the use of increased salaries to other health care positions, such as physician assistants, podiatrists, and nurses. In 1993, the Office of Personnel Management (OPM) delegated certain title 38 authorities to the DoD and has periodically reauthorized its delegation agreement since that time. On September 14, 2023, the DoD signed the most recent delegation agreement, which has an expiration date of June 30, 2027.⁹ According to the Defense Civilian Personnel Advisory Service (DCPAS) Chief for Special Pay Systems, the DoD has over 300 special salary rate (SSR) tables using title 38 authority.

180-Day Waiting Period Requirement for Recently Retired Service Members

Section 3326, title 5, United States Code, requires the DoD to wait 180 days after a Service member's retirement from the Armed Forces before appointing the retired Service member into civil service.¹⁰ DoD Instruction 1402.01 addresses the employment of retired Service members during the 180-day period following retirement from active duty.¹¹ The Instruction requires that an official with delegated authority approve an appointment made during the 180 days when candidates are not available for consideration through other means or more highly qualified personnel are not available among the employees being considered.

Overseas Extension Requirement for Civilian Personnel

DoD Instruction 1400.25 limits civilian employment in foreign areas to 5 years of continuous service but allows the Head of a DoD component to grant extensions in 2-year increments with the support of a documented business case analysis and a succession plan for replacing the employee by the end of the 2-year extension.¹² Any requests for subsequent extensions should address unanticipated events or circumstances that prevented the execution of the succession plan included in the first extension.

⁸ Title 38, United States Code, "Veterans' Benefits," enacted September 2, 1958, includes a special pay authority used to recruit and retain employees in certain health care occupations.

⁹ Delegation agreements, U.S. Office of Personnel Management and Department of Defense, effective December 20, 1993, and September 14, 2023.

¹⁰ Section 3326, title 5, United States Code (5 U.S.C. § 3326), "Appointments of retired members of the armed forces to positions in the Department of Defense."

¹¹ DoD Instruction 1402.01, "Employment of Retired Members of the Armed Forces," September 9, 2007.

¹² DoD Instruction 1400.25, Volume 1230, "DoD Civilian Personnel Management System: Employment in Foreign Areas and Employee Return Rights," July 26, 2012 (Incorporating Change 1, July 29, 2022).

MTF directors approve extensions from up to 5 years and Market directors approve extensions of more than 5 and up to 7 years.¹³ According to a DHA official, the DHA Director or Deputy Director approves extensions of more than 7 and up to 9 years. According to DoD Instruction 1400.25, the intent of the 5-year limitation is to increase employment opportunities for military spouses and family members and developmental opportunities for employees in the United States; periodically renew the knowledge and competencies of the overseas workforce; enhance the interoperability of employees; and promote a joint perspective in the workforce.

Sample of DoD Medical Treatment Facilities with Shortages in Health Care Personnel

In April 2022, we reported that officials from 26 (87 percent) out of 30 MTFs sampled indicated that staffing and personnel shortages were the most serious challenges medical personnel experienced working at the MTFs during the pandemic.¹⁴ Additionally, we reported that officials from 11 (37 percent) of the 30 MTFs indicated that staff burnout and fatigue were the most serious concern that they would encounter in the future. During that effort, we conducted interviews with MTF officials from September 9 through October 4, 2021, in which MTF responses were primarily from personnel who were in place at the MTF before or during the height of the pandemic. MTF officials interviewed during this period reported that additional requirements over the course of the pandemic were cumulative and resulted in health care providers and clinical personnel being overworked and feeling burned out.

To determine whether shortages of health care personnel were still a concern, we selected a nonstatistical sample of the 26 MTFs that reported “staffing and manpower shortages” as a serious challenge. To compare like facilities, we excluded three MTFs that were not an inpatient hospital or medical center. We also added one additional MTF to our sample that identified staffing and manpower as a serious future concern in the April 2022 report, for a total of 24 MTFs. This report does not include shortages of health care personnel in the purchased care or civilian network. Additionally, staffing data provided for authorized and filled positions are only for civilian personnel under the DHA as of January 2023. These personnel accounted for only a portion of health care personnel within the MTFs, and they do not include active duty Service members, contractors, or civilians under the Military Departments’ management and control.

¹³ DHA Administrative Instruction 5136.03, “Delegation of Authority and Assignment of Responsibility for Administration and Management of Direct Care,” November 3, 2022.

¹⁴ Report No. DODIG-2022-081, “Evaluation of Department of Defense Military Medical Treatment Facility Challenges During the Coronavirus Disease–2019 (COVID-19) Pandemic in Fiscal Year 2021,” April 5, 2022.

Finding

DoD Medical Treatment Facilities Experienced Shortages in Health Care Personnel Before and During the COVID-19 Pandemic

Officials from all 24 DoD MTFs reported shortages in health care personnel before and during the COVID-19 pandemic, with nurses, behavioral health care personnel, imaging technicians, laboratory technicians, medical officers, and medical support assistance personnel reported as the highest in demand. According to MTF personnel, health care personnel shortages increased during the height of the pandemic, and the MTFs were unable to fill many of the positions at the time of our MTF interviews, from August 29 through September 30, 2022.

Based on DHA staffing data, over 6,000 civilian positions across the MTFs we sampled were vacant as of January 2023, including eight MTFs that had 25 percent or more vacant DHA civilian positions. The DHA staffing data and associated vacancies account for only a portion of health care personnel within the MTFs and do not include active duty Service members, contractors, or civilians working for the Military Departments.

MTF officials reported that shortages in health care personnel existed, in part, because of the following challenges to recruit and retain health care personnel.¹⁵

- The DoD did not take full advantage of certain title 38, United States Code (U.S.C.) provisions that would allow the DoD to establish its own competitive pay rates and qualification requirements for health care personnel because of the complexities and limitations involved with implementing the authorities.
- Federal law and DoD policy required the DoD to wait 180 days before appointing retired Service members to a civilian position, even though the Service member was already familiar with the MTF's policies and systems and would not require as much training as someone newly hired to the MTF.¹⁶

¹⁵ The DoD OIG addressed other challenges in a separate report that reviewed personnel shortages at four Federal agencies' health care programs, or the providers they reimburse (PRAC report 2023-03, "Review of Personnel Shortages in Federal Health Care Programs During the COVID-19 Pandemic," September 21, 2023). This DoD OIG report focused on challenges with recommendations for corrective action by the DoD.

¹⁶ Section 3326, title 5, United States Code; DoD Instruction 1402.01, "Employment of Retired Members of the Armed Forces," September 9, 2007.

- Civilian health care personnel working outside of the continental United States (OCONUS) are limited to 5-year assignments with the opportunity to extend in additional 2-year increments up to a total of 9 years. Additionally, the approval process for extensions for civilian health care personnel requesting to work in OCONUS MTFs was lengthy.

As a result of shortages in health care personnel, Service members and their beneficiaries experienced a decrease in access to care, patient satisfaction, preventative screenings, and routine maintenance care. In addition, the remaining health care personnel working at the MTFs experienced increased work hours and responsibilities that led to burnout, decreased morale, and limited access to medical cases necessary to gain or maintain skills. Finally, the DoD experienced impacts to military readiness as personnel shortages in the MTF laboratories caused delays in COVID-19 testing required for deployments.

Health Care Personnel Shortages Before and During the COVID-19 Pandemic

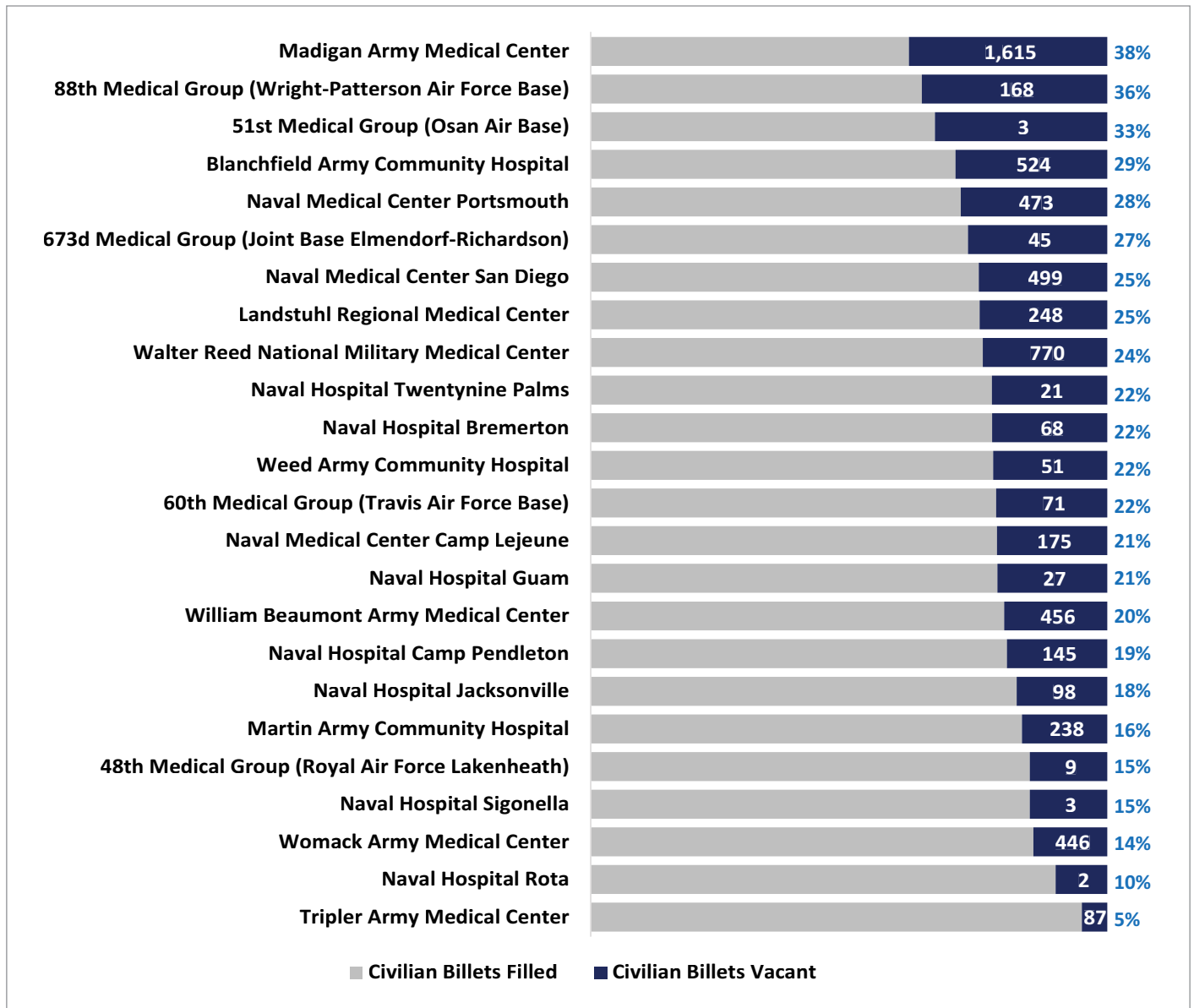
Officials from the 24 MTFs we reviewed reported shortages of health care personnel before and during the COVID-19 pandemic. The MTFs did not provide consistent data to compare authorized and filled positions—before and during the pandemic—across our sample. However, the DHA provided personnel data for the 24 MTFs we sampled, as of January 2023, for the civilians under the DHA's management and administration. These personnel accounted for only a portion of health care personnel within the MTFs, and they do not include active duty Service members, contractors, or civilians under the Military Departments' management and control. Generally, OCONUS MTFs employ more active duty Service members, as it is more challenging to hire civilians in those facilities. Therefore, the vacant civilian billets reported in Figure 1 represent only a portion of the MTF workforce.

Based on DHA staffing data for our sampled MTFs, over 6,000 DHA civilian positions, or 24 percent, were vacant as of January 2023.

Based on DHA staffing data for our sampled MTFs, over 6,000 DHA civilian positions, or 24 percent, were vacant as of January 2023. The data provided was not broken down by position to determine what civilian health care personnel positions had the largest

shortages. However, over 80 percent of the civilian vacancies were positions within medical centers, which are the DoD's largest MTFs that provide a range of specialty and subspecialty care, serve as trauma centers for the Military and the community, and usually participate in General Medical Education and medical research programs. Additionally, many of the vacancies were at hospitals located in or near large metropolitan areas, such as Seattle, Washington; Washington, D.C.; and San Diego, California. Figure 1 shows the number and percentage of vacant DHA civilian billets as of January 2023, for the 24 MTFs we sampled.

Figure 1. Number and Percentage of Vacant DHA Civilian Billets for the 24 Sampled MTFs as of January 2023

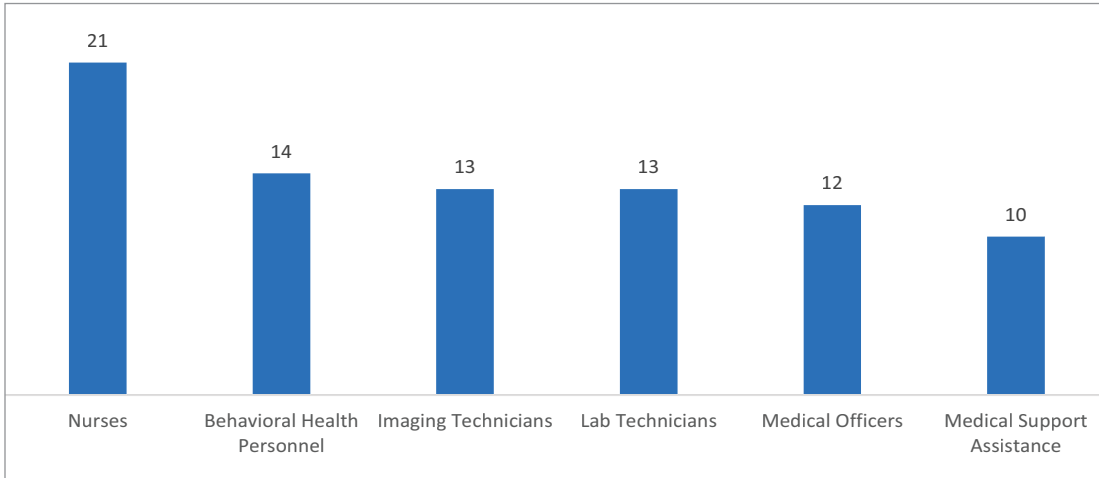


Source: The Defense Civilian Personnel Data system and DHA’s Joint Table of Distribution.

Eight MTFs had 25 percent or more vacant DHA civilian positions. These MTFs were generally located in or near large metropolitan areas, OCONUS, or where pay was not significant enough to recruit or retain health care personnel.

Officials we interviewed at all 24 MTFs reported that, as of September 2022, their MTFs experienced health care personnel shortages. Figure 2 shows the number of MTFs, out of the 24 MTFs where we conducted interviews, for which personnel reported shortages in a specific health care position.

Figure 2. Number of MTFs for Which Personnel Reported Staffing Shortages Before or During the Pandemic, Organized by Position



Note: The data represent the number of MTFs, out of our sample of 24, with shortages reported by personnel and organized by health care position. Personnel interviewed did not always indicate whether the positions were short-staffed before or during the pandemic.

Source: DoD OIG interviews with officials from the sample of MTFs, August through September 2022.

As shown in Figure 2, MTF officials reported that nurses, behavioral health personnel, imaging technicians, laboratory technicians, medical officers, and medical support assistance personnel were in the highest demand. According to MTF officials, health care personnel shortages increased during the height of the pandemic and, at the time of the MTF interviews held between August and September 2022, the MTFs had not been able to fill many of the positions.¹⁷

The DoD Did Not Take Full Advantage of Certain Title 38 Authorities

MTF officials reported that shortages in health care personnel existed during the pandemic because the DoD did not take full advantage of title 38 authorities.

MTF officials reported that shortages in health care personnel existed during the pandemic because the DoD did not take full advantage of certain title 38 authorities that would allow the DoD flexibilities in hiring for health care positions because of the complexities and limitations involved with implementing the authorities.

Specifically, the OPM delegated to the DoD the authority to use certain title 38 provisions that would allow the DoD to establish its own competitive pay rates and qualification requirements for health care personnel; however, the DoD did not take full advantage of these authorities to recruit and retain health care personnel.

¹⁷ Although these positions were the highest shortages reported by MTF personnel, positions may be underreported because military occupational specialties for Service members did not easily translate to the occupational series for civilian personnel established by the OPM.

The DoD Did Not Implement a Competitive Pay Rate for All DHA Regions

MTF officials reported that pay compared to nearby Veterans Health Administration (VHA) facilities was a contributing factor that led to personnel shortages. This occurred because the DoD did not take full advantage of certain title 38 authorities that would allow the DoD to use a competitive pay rate for health care personnel providing direct patient care services. In 1975, Congress first authorized the VA to offer higher salaries to physicians and dentists, using title 38 authority. Since then, Congress has expanded the higher salaries to other health care positions such as physician assistants, podiatrists, and nurses.¹⁸ OPM delegated certain title 38 authorities to the DoD starting in 1993, and it has extended the delegation agreement periodically, with the current delegated authorities expiring on June 30, 2027. However, the DoD used the title 38 authority to establish a pay plan for only physicians and dentists.¹⁹

An official from one MTF stated that they lost licensed practical nurses (LPNs) to the VHA because the VHA could offer them a position at a higher grade and salary.²⁰ An official from another MTF stated that they lost eight primary care providers to the VHA because of the differences in pay. While the DoD had certain title 38 authorities for pay for physicians, dentists, and other health care positions, it could not compete with salaries offered for other occupations, such as nurses, for which the DoD had not implemented its title 38 authorities.

An official from another MTF stated that they lost eight primary care providers to the VHA because of the differences in pay.

According to DHA personnel, the DHA did not have published guidance for MTFs to use to apply title 38 authorities; however, the DHA provided the MTFs with PowerPoint slides to guide them through the process of requesting special salary rates (SSRs). According to the DHA slides, MTFs should consider alternative solutions before concluding that SSRs are needed to resolve a particular staffing problem. The slides state that alternative solutions include offers of recruitment, relocation, and retention incentives; superior qualifications and special needs pay setting authority; student loan repayment; and performance awards. In addition, according to the DCPAS Chief of Special Pay Systems, title 38 authority extended to the DoD should be used as a tool to resolve identified staffing hardships, not as a

¹⁸ Title 38, United States Code, Veterans' Benefits, enacted September 2, 1958, includes a special pay authority used to recruit and retain employees in certain health care occupations.

¹⁹ DoD instruction 1400.25, Volume 543, "DoD Civilian Personnel Management System: DoD Civilian Physicians and Dentists Pay Plan," February 12, 2018.

²⁰ A "grade" refers to the General Schedule (GS) pay scale, or the pay level for the job.

system to match the pay offered by the VHA. While title 38 does not allow the DoD to establish an SSR schedule in anticipation of staffing hardships, it does authorize the DoD to implement an SSR schedule to increase the basic pay rate to:

- be competitive with non-Federal facilities in the same labor market;
- achieve acceptable staffing at DoD MTFs; or
- recruit personnel with specialized skills.

Some MTFs used title 38 authority to attract nurses using SSR tables according to DHA personnel and USAJOBS listings issued during our audit. We compared salaries in a job listing for occupational series 0610, registered nurse (RN), for one MTF that used title 38 authority to hire nurses using the SSR table. Specifically, an RN applying for a job with the DoD in Portsmouth, Virginia would have a salary range from \$82,608 to \$104,903.²¹ If the MTF did not use its title 38 authority to hire nurses using the SSR table, then an RN applying to work at the MTF would be offered a lower salary rate range of \$57,824 to \$75,168 for

The maximum locality rate for Portsmouth, Virginia, established under title 5, is \$7,440 less than the minimum rate established for RNs using title 38 authority.

the same position.²² The maximum (step 10) locality rate for Portsmouth, Virginia, established under title 5, United States Code, is \$7,440 less than the minimum (step 1) special rate the DoD has established for RNs using its title 38 authority. Therefore, the DoD should expand its use of title 38

authorities to additional localities to help recruit and retain health care personnel. The Defense Health Agency Director, in consultation with the Defense Civilian Personnel Advisory Service, should develop and implement a plan to ensure a more competitive pay rate for nursing and other hard to fill medical positions in all Defense Health Agency regions.

The DoD Did Not Implement Unique Qualification Requirements

MTF officials reported that experience requirements for RNs hindered the MTFs' ability to hire, further contributing to personnel shortages. Specifically, the DoD used qualifications for nursing positions established by the OPM instead of implementing title 38, U.S.C. provisions that would allow the DoD to consider

²¹ DoD Special Salary Rate Authorization Table D361, January 4, 2023, "Registered Nurse (Other than Nurse Anesthetist, Nurse Midwife, and Nurse Practitioner), GS-0610," for a GS-9 position.

²² OPM 2023 General Schedule table for the locality pay area of Virginia Beach-Norfolk, VA-NC, for a GS-9 position.

applicants’ unique qualifications. For example, for the 0610 Nurse Series, the OPM requires either a bachelor’s degree in nursing, or a diploma or associate’s degree in professional nursing with 1 year of professional nursing experience, to enter at the GS-5 level.²³ In contrast, under title 38, nurses are required to have completed a full course of nursing at an approved and recognized school of nursing and be registered as a graduate nurse in a state, but prior nursing experience is not required.

An official at one MTF stated that the DoD can hire RNs without 1 year of experience at the GS-5 level; however, the official explained that it was an ineffective and nonsensical process because if the RN had at least 1 year of experience, the DoD can hire them as a GS-11, or six grades above what the DoD offers RNs that do not meet the experience requirement. Further, an MTF official stated that the DoD hires its LPN, a position that requires less education than an RN, as a GS-6,

DoD can hire RNs without 1 year of experience at the GS-5 level; however, the official explained that it was an ineffective and nonsensical process.

or one grade level above the grade that the DoD hires its RNs who do not meet the 1-year experience requirement. According to OPM qualifications, an LPN who completes either a 2-year degree program with no nursing experience or at least a 9-month practical nursing program with 1 year of nursing assistant experience, is eligible to be hired by the DoD at the GS-4 level. Table 1 lists the DoD qualification requirements, starting grades, and starting salaries by nursing position.

Table 1. DoD Nursing Positions, Qualification Requirements, Starting Grades, and Salaries

Position	Qualification Requirements	Starting Grade	Starting Salary
RN	Bachelor’s Degree; 1 year or more of professional nursing experience	GS-11	\$59,319
LPN	2-year degree; 1 year of nursing assistant experience	GS-6	36,070
RN	Bachelor’s Degree; less than 1 year or no professional nursing experience	GS-5	32,357
LPN	2-year degree program; 9-month practical nursing program and 1 year of experience	GS-4	28,921

Note: Starting grades and salaries are based on the OPM 2023 General Schedule Base Pay Table, excluding any locality payment or special rate supplement that may apply.

Source: The DoD OIG.

²³ According to the OPM’s Federal Position Classification and Qualifications, the 0610 nurse series includes RNs and advanced practical nurses.

Additionally, MTF officials stated that LPNs and certified nursing assistants who complete their RN training through the MTF's internal programs could not be hired at the MTFs as RNs because they did not have the required 1 year of professional nursing experience.²⁴ According to OPM qualifications, the newly trained RNs can be hired, but without the 1 year of professional nursing experience, the MTFs would be required to hire them as an RN at the GS-5 level. The LPNs and certified nursing assistants would need to leave the DoD to obtain the 1 year of experience required by OPM qualifications before DoD MTFs could consider them for hire as RNs at the GS-11 level. The Deputy Commander of Clinical Services at one MTF estimated that 10 percent of the LPNs that leave to obtain professional nursing experience return to the DoD.

According to OPM guidance and Federal law, qualification requirements for education, training, or experience are consistent with the grade levels of difficulty and responsibility of work for Federal positions.²⁵ Qualifications and grade levels for occupations are determined independently of pay. The grade level then determines the pay range based on OPM or other salary tables. According to OPM personnel, placing recent graduate applicants without adequate specialized experience into full performance level patient care positions may represent a risk to patient safety, as the grade level represents freedom from supervision.

We asked DHA personnel why they did not create unique qualification requirements for nurses to enable the DHA to hire RNs without the 1 year of professional experience required by OPM qualifications. The DHA Director for Administration and Management stated that it was not as easy as writing new job qualifications to remove the professional experience requirement because the employees with the new job qualifications that the DHA hired under title 38 provisions would become excepted service employees, not competitive service.

According to Federal law, all civil service positions in the Executive Branch of the Government, with some exceptions, are competitive service.²⁶ The DHA Director for Administration and Management explained that excepted service employees do not receive the same competitive status for advancement as employees hired under the competitive service. They stated that because the DHA program was in its infancy, it would be easier for excepted service employees to advance in

²⁴ LPNs are part of the 0620 practical nurse series which requires a practical or vocational license at the GS-3 level and, with experience, can be hired at GS-4 and above. Certified nursing assistants are part of the 0621 nursing assistant series, which requires a 2-year degree program in practical nursing at the GS-4 level and, with experience, can be hired at GS-4 and above.

²⁵ OPM General Schedule Qualification Policies, "General Schedule Operating Manual," May 2022; Section 5104, title 5, United States Code.

²⁶ Section 2102, title 5, United States Code.

a more mature program with more excepted service positions available, such as the VHA. Additionally, the Chief Human Capital Officer for the Office of the Assistant Secretary of Defense for Health Affairs stated that the drawbacks to converting civilian positions to excepted service included cost, time, and manpower. Specifically, the Chief Human Capital Officer stated that the DoD would have to determine what program level to place employees under the applicable title 38 provision and—at a cost of hundreds of millions of dollars—convert employee positions to excepted service. The DHA Director for Administration and Management stated that the DoD would also need to rewrite the position qualifications. Finally, positions converted to excepted service for the increased title 38 pay would require the DoD to pay the increased salary.

According to the DCPAS Acting Director for Employment and Compensation, a newly established team is reviewing qualifications for nurses and other health care occupations to determine a path forward. Therefore, the Defense Health Agency Director, in consultation with the Defense Civilian Personnel Advisory Service, should determine whether implementing certain provisions from title 38, U.S.C., related to qualification requirements for nursing and other hard to fill medical positions in all Defense Health Agency regions would enhance the DoD's efforts to help recruit and retain health care personnel and, if so, develop and implement a plan to establish qualification requirements for nursing and other hard to fill medical positions. Additionally, the Defense Health Agency Director should conduct a study of Federal agencies that hire entry-level registered nurses to determine whether other strategies or incentives for attracting personnel for these positions would enhance the DoD's recruitment efforts and, if so, develop a plan and implement them accordingly.

180-Day Waiting Period for Recently Retired Service Members

MTF officials stated that not being able to hire recently retired Service members as civilians until 180 days after their retirement date contributed to health care personnel shortages. Specifically, section 3326, title 5, U.S.C., requires the DoD to wait 180 days before appointing retired Service members to a civilian position, even though the Service member is often already familiar with the MTF's policies and systems and would not require the same training as a new hire. MTF personnel stated that some Service members are interested in staying at the MTF as a civilian employee; however, an official from one MTF stated that

Service members cannot afford to wait 180 days to gain employment, and most will seek employment outside the MTF where they can make significantly more money. As a result, the MTFs lose valuable and experienced personnel.

Service members cannot afford to wait 180 days to gain employment, most will seek employment outside the MTF where they can make significantly more money.

DoD Instruction 1402.01, which addresses the 180-day waiting period for employing retired Service members, allows an official with delegated authority to approve an appointment made during the 180 days when there are not more highly qualified personnel or other candidates available.²⁷ While the Military Departments had a waiver process to exempt retired Service members from the 180-day waiting period, MTF personnel reported that the waiver process took longer than the 180-day restriction. MTF personnel explained that the waiver required a signature from a three-star flag officer and that waivers were only approved for “hard to hire” positions.

On October 18, 2022, during the course of our audit, the DHA Director issued a memorandum delegating the authority to approve waivers of the 180-day requirement.²⁸ Specifically, the memorandum delegated authority to the directors of DHA markets and regions to approve waivers for grades GS-13 and below, and it delegated authority to the DHA Director and Deputy Director to approve waivers for grades GS-14 and above. According to an official within the DHA Human Capital Division, as of August 7, 2023, the DHA Deputy Director had approved 10 applications to hire retired Service members into civilian health care positions, such as medical officers, at grades GS-14 and above, waiving the 180-day wait requirement. Based on the Human Capital Division’s tracking spreadsheet for 180-day waivers, DHA personnel processed the applications within 25 to 90 days, from September 2022 to June 2023. The DHA could not obtain data for waivers to positions authorized by directors of DHA markets and regions at grades GS-13 and below because, according to an official within the DHA Human Capital Division, the waivers were not formally tracked.

During the COVID-19 pandemic, the DoD issued multiple memorandums on the use of direct hire authority that extended or included additional health occupations designated by the Secretary of Defense as a shortage category or critical need occupation.²⁹ On June 23, 2023, the USD(P&R) waived the requirement to apply

²⁷ DoD Instruction 1402.01, “Employment of Retired Members of the Armed Forces,” September 9, 2007.

²⁸ DHA Policy Memorandum 22-011, “180-Day Waiver Delegation Update,” October 18, 2022.

²⁹ USD(P&R) Memorandum, “Direct Hire Authority for Certain Personnel of the Department of Defense,” April 2, 2020; USD(P&R) Memorandum, “Additional Healthcare Occupations Temporarily Covered by Department of Defense Direct Hire Authority,” July 20, 2020; USD(P&R) Memorandum, “Expansion of Direct Hire Authority for Certain Personnel of the Department of Defense,” October 15, 2021; USD(P&R) Memorandum, “Extension of Additional Healthcare Occupations Covered by Department of Defense Direct Hire Authority,” March 3, 2022; and USD(P&R) Memorandum, “Extension of Additional Healthcare Occupations Covered by Department of Defense Direct Hire Authority,” September 30, 2022.

the 180-day waiting period to appoint retired Service members in health care occupations designated by the Secretary of Defense as a shortage category or critical need occupation until September 30, 2025.³⁰ As a result, the DHA Director, Deputy Director, and Directors of DHA markets and regions were no longer required to approve applications for 180-day waivers and could appoint individuals using direct hire authority for health care occupations designated as a shortage or critical need. The health care occupations designated as shortages or in critical need include the occupations that MTF officials reported shortages in, including nurses, medical officers, behavioral health personnel, imaging technicians, laboratory technicians, and medical support assistants.

Although the DHA Human Capital Division did not formally track or annotate on personnel records all actions related to the 180-day waiver from October 18, 2022, to June 23, 2023, it appears that it would be in the best interest of the DoD to continue waiving the 180-day waiting period requirement for retired Service members beyond September 30, 2025. Therefore, the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Health Affairs and the Defense Health Agency Director, should determine whether the DoD needs to extend waiving the authority to apply section 3326, title 5, United States Code, for appointments made to positions in medical or health professions with the DoD under the direct hire authority and, if so, provide the extension in a subsequent memo before the authority for covered positions expires on September 30, 2025.

The DoD Limited Civilian Personnel Extensions

Officials at OCONUS MTFs stated that their MTFs had shortages of civilian health care personnel because of limitations on how long health care personnel can work in overseas assignments. According to DoD Instruction 1400.25, civilian employees can work in foreign areas for up to 5 years, with the option to extend in 2-year increments if supported by a business case analysis and approved by the head of the DoD component.³¹ An MTF official explained that the process to extend civilian assignments in OCONUS locations takes too long.

Civilian personnel extensions requested during the pandemic for OCONUS locations were approved by the Military Departments; however, with the transition of civilian personnel from the Military Departments to the DHA, responsibility for the process for extensions of civilian health care personnel also transitioned. Based on the DHA's guidance issued in November 2022, the approval authority for extensions

³⁰ USD(P&R) Memorandum, "Direct Hire Authority for Certain Personnel of the Department of Defense," June 23, 2023.

³¹ DoD Instruction 1400.25, Volume 1230, "DoD Civilian Personnel Management System: Employment in Foreign Areas and Employee Return Rights," July 26, 2012 (Incorporating Change 1, July 29, 2022).

of civilian personnel working in OCONUS MTFs varies based on the number of years the person is in continuous service at an OCONUS location. DHA guidance states that DHA Regional Directors have the authority to approve extensions and waive the 2-year physical presence for requests of more than 5 to 7 years.³² Furthermore, a DHA official stated that the DHA Director has the authority to approve extensions greater than 7 years, although it was not documented in the DHA guidance. Therefore, we recommend that the Defense Health Agency Director revise DHA Administrative Instruction 5136.03 to establish approval authority for any civilian personnel extensions outside the continental United States beyond a period of 7 years.

The overseas extension process was lengthy, contributing to personnel shortages. An MTF official stated that the extension process was long because MTF personnel must demonstrate that they have actively recruited for the position with no successful hires before the end of the individual's 5-year appointment. The MTF official explained that during this period, the individual was already applying for jobs located in the United States at the end of their 5-year appointment to be able to use their return rights, leaving the position vacant. Officials from another MTF stated that overseas extensions were being denied, resulting in the MTF losing staff.

We reviewed timelines for overseas extension packages approved by DHA personnel since civilian health care personnel transitioned to the DHA, and timelines varied from same-day approvals to 81 days for approval. Specifically, the regional directors who approved the extensions of more than 5 and up to 7 years, took, on average, 1 to 2 weeks, while the DHA Director or Deputy Director who approved the extensions beyond 7 years, took, on average, less than 2 months. To enhance the DoD's efforts to help retain health care personnel and standardize approval timelines, we recommend that the Defense Health Agency Director establish maximum time frames to approve extensions and require monitoring of extension approval timelines.

Additionally, a DHA official stated that the DHA was submitting a request to the Secretary of Defense for a permanent overseas exemption similar to the exemption permitted for DoD school educators. According to DoD guidance, the 5 years of continuous service limitation does not apply to specific civilian personnel, such as non-appropriated fund employees and educators in DoD Dependents Schools.³³ Including civilian health care personnel as one of these excepted categories would help to minimize the personnel shortages at OCONUS MTFs. Therefore,

³² DHA Administrative Instruction 5136.03, "Delegation of Authority and Assignment of Responsibility for Administration and Management of Direct Care," November 3, 2022.

³³ DoD Instruction 1400.25, Volume 1230, "DoD Civilian Personnel Management System: Employment in Foreign Areas and Employee Return Rights," July 26, 2012 (Incorporating Change 1, July 29, 2022).

the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Health Affairs and the Defense Health Agency Director, should determine whether updating DoD Instruction 1400.25 to exclude the health care positions that are difficult to fill from the 5-year continuous service limitation would be in the best interest of the DoD and, if so, develop and implement a plan to revise DoD Instruction 1400.25 to exclude the health care positions that are difficult to fill from the 5-year continuous service limitation.

Staffing Shortages Impacted Patient Care, Health Care Personnel, and Military Readiness

As a result of shortages in health care personnel, the DoD experienced impacts to patient care, such as decreased access to care, satisfaction, preventative screenings, and routine maintenance care. Additionally, the remaining health care personnel working at the MTFs during the COVID-19 pandemic experienced longer hours and additional workload responsibilities that led to burn out, decreased morale, and limited access to medical cases to gain or maintain skills. Finally, military readiness was affected as personnel shortages in the MTF laboratories caused delays in COVID-19 testing required for deployments.

Service Members and Their Beneficiaries Experienced Impacts to Patient Care

Officials from the 24 MTFs in our review reported impacts to patient care because of health care personnel shortages, such as decreased patient access to care, patient satisfaction, preventative screenings, and routine maintenance care for patients. An official from one MTF explained that a patient's ability to get an appointment in the MTF during the pandemic decreased by 10 to 50 percent, which lengthened the time for beneficiaries to receive care. According to the MHS website, the access to care metrics for another MTF, with a benchmark of 7 days for routine appointments, varied from 4 days pre-pandemic; 2.6 days during the pandemic; and 10.2 days near the end of the pandemic. MTF personnel also stated that patient satisfaction decreased during the pandemic. According to one MTF's patient satisfaction report, the scores declined from 2020 to 2022. In 2020, patients rated the ease of making an appointment at one MTF at 71 percent, with an MHS benchmark of 74 percent.³⁴ However, in 2022, patients rated that same category for the MTF approximately 14 percent lower at 56 percent, well below the MHS benchmark of 78 percent for that year.³⁵

³⁴ The Joint Outpatient Experience Survey collects data on beneficiary views of outpatient care recently received at the MTF.

³⁵ The approximate 14 percent does not equal the actual difference because of rounding.

In addition, personnel shortages at OCONUS MTFs can lead to reduced or unavailable services for beneficiaries in locations where services in the local network are already limited or nonexistent. For example, an official at an overseas MTF stated that all of their licensed clinical social workers were pulled from the child and family behavioral health clinic to support the active duty clinic because of shortages in these positions. According to the MTF official, this resulted in no availability of behavioral health services for family members. As a result, the MTF referred patients to the local network, which was already overwhelmed with significant wait times, and additional delays occurred because the medical records had to be translated. Further, the MTF official stated that continued absence of the behavioral health services for beneficiaries would increase the number of Exceptional Family Member Program denials, which would decrease the number of Service members eligible for assignment to OCONUS locations. On November 29, 2023, the DoD OIG issued a management advisory on concerns related to access to care in the MHS, including MTFs in OCONUS settings.³⁶

Personnel from another MTF stated that they had sentinel and adverse events that were reported to the DHA Patient Safety Office due to low staffing or increased workload for staff.³⁷ Based on a comprehensive systematic analysis provided by

A pediatric patient had significant delays with diagnosis because four out of five pediatricians from the MTF were deployed for missions in support of the pandemic.

the Patient Safety Program Manager, a pediatric patient had significant delays with diagnosis because of personnel shortages.³⁸ Specifically, during the patient's need for care, four out of five pediatricians from the MTF were deployed for missions in support of the

pandemic, leaving one dedicated pediatrician and one family medicine provider with pediatric training to oversee the entire child dependent population that was previously covered by five pediatricians at the MTF. As a result, pediatric operations for the MTF were limited for approximately 2 months, including deferred wellness visits for all patients. Specifically, for the one pediatric patient, this led to a delay in diagnosis and treatment for a metastasized tumor. Additionally, the Patient Safety Program Manager provided an example of a patient that died by suicide within 72 hours of being seen in the emergency department that, according to MTF personnel, had low staffing. MTF personnel explained that

³⁶ Report No. DODIG 2024-033, "Management Advisory: Concerns with Access to Health Care and Staffing Shortages in the Military Health System," November 29, 2023.

³⁷ A sentinel event is an unexpected occurrence involving death or serious physical or psychological injury or risk thereof, while an adverse event is an unintended occurrence or condition associated with care or services that reach the patient and that may or may not result in harm to the patient.

³⁸ A comprehensive systematic analysis is a thorough, credible, and acceptable analysis following a patient safety event that seeks to identify system vulnerabilities so that they can be eliminated or mitigated in a sustainable manner to prevent reoccurrence.

the patient was seen by a medical officer that was unaware of the patient's history and that psychiatrists were not evaluating patients in person in the emergency department at that time because of pandemic protocols. According to the comprehensive systematic analysis, the event was attributed to various root causes, including task oversaturation for providers.

Health Care Personnel Impacts

Officials from the 24 MTFs stated that shortages of health care personnel during the pandemic impacted the personnel remaining at the MTF, including increased work hours and responsibilities that led to burnout, as well as decreased morale and access to medical cases to gain or maintain their skills. Officials at multiple MTFs explained that because the MTFs had long-standing vacancies and the DoD tasked health care personnel for other missions, the personnel left to work in the MTFs were required to work significantly more hours than normal. For example, an official at one MTF stated that Service members were working between 80 to 100 hours per week and, as a result, some providers were treated for mental health issues because of burnout.

Service members were working between 80 to 100 hours per week and some providers were treated for mental health issues because of burnout.

An official at another MTF stated that health care personnel were tasked for Defense Support of Civil Authorities missions, resulting in the remaining personnel working up to 120 hours in a 2-week period. According to an overtime report for civilian personnel working at another MTF, overtime hours increased almost 50 percent from 2019 through 2020 when the pandemic first began—from 1,233 hours in 2019 to 1,816 hours in 2020. An official from one MTF stated that pay for increased overtime hours was from the MTF budget and limited their ability to hire additional personnel. Furthermore, officials from several MTFs stated that Service members left the military because of their experiences during the COVID-19 pandemic, such as continued expectations of filling in for callouts and working overtime.

MTF officials stated that performing duties outside of their normal job function was required because of shortages in health care personnel. For example, MTF officials stated that physicians checked patients in, recorded patient vitals, and cleaned their own areas because of shortages in support personnel, such as medical support assistance and housekeeping personnel. An official at another MTF stated that an enlisted pharmacy technician performed the MTF's emergency management functions, a role normally performed by a GS-13 civilian position, in addition to their pharmacy duties because of staffing shortages.

According to MTF officials, health care personnel were constantly moved around to cover staffing shortages and they had to work longer, resulting in decreased morale. Additionally, a senior enlisted leader at another MTF stated that their health care personnel were exhausted from the extra work caused by personnel shortages, and they were worried that it was only a matter of time before a provider would “miss something.”

MTF officials also discussed how shortages in health care personnel and reduced elective procedures decreased their ability to gain and maintain experience and skills. Specifically, they were required to perform overseas screenings or periodic health assessments, which focused on the suitability of overseas assignments for Service members or their individual medical readiness, instead of building their medical skills to treat patients. In addition, personnel were not able to get the experience they needed to maintain their knowledge, skills, and abilities. Furthermore, MTFs were not able to bring in a high volume of medical cases for personnel to learn from that were not related to COVID-19. MTF officials explained that they had to send some providers to civilian hospitals to maintain their knowledge, skills, and abilities.

MTF officials also had concerns with tasking faculty who oversaw the graduate medical education program to provide mission support. According to an MTF official, the majority of the MTF’s inpatients were cared for by medical residents under the supervision of MTF faculty that have specific qualifications. A faculty-to-student ratio must be maintained for the medical residents to provide care. Supervising faculty were tasked to support missions outside of the MTF. As a result, the MTF had to reduce the number of patients who could be admitted and cared for safely, which also reduced the number of cases from which the medical residents could learn.

Military Readiness Impacts

Officials from 13 of the 24 MTFs we reviewed reported operational force readiness and deployment delays because of health care personnel shortages. Personnel

• *Delays in labs processing
• COVID-19 results caused
• delays for operational forces
• deploying and other personnel
• required to go overseas.*

from two MTFs stated that delays in labs processing COVID-19 results caused delays for operational forces deploying and other personnel required to go overseas. According to an official from one MTF, an MTF lab processed COVID-19 tests in direct

support of their operational forces. However, because of the limited availability of personnel in the MTF lab and the limited availability of lab services in the network

to meet COVID-19 testing requirements, the operational force did not deploy as scheduled. An official at another MTF stated that because of shortages in civilian lab technicians, active duty lab technicians had to work 12-hour shifts, 6 days per week, to test Service members in basic training for COVID-19.

According to the Deputy Commander for Clinical Services at one MTF, the laboratory technicians became “burnt out” and were admitted for mental health treatment because of stress. An MTF official stated that the MTF Commander cut back on testing and informed the operational commanders that the MTF would not be able to complete testing fast enough for their Service members to deploy for their missions. Additionally, personnel from another MTF stated that their lab reduced blood donor operations, which typically collected units of blood to support combat operations.

Conclusion

Officials from the 24 DoD MTFs in our review reported shortages in health care personnel before and during the COVID-19 pandemic. MTF officials reported that the following restrictions with Federal and DoD-imposed requirements contributed to shortages of health care personnel at the MTFs.

- The DoD did not take advantage of certain title 38, United States Code provisions that would allow the DoD to establish its own competitive pay rates and qualification requirements for health care personnel.
- Section 3326, title 5, United States Code, requires waiting 180 days before appointing retired Service members to a civilian position.
- The process for approving extensions for civilian health care personnel requesting to work in OCONUS MTFs was lengthy.

As a result, shortages in health care personnel decreased access to care and satisfaction for patients, and the remaining health care personnel working at the MTFs experienced increased work hours and responsibilities that led to burnout, decreased morale, and decreased access to medical cases to gain or maintain skills. Finally, the DoD experienced impacts to operational force readiness and deployment delays. Maintaining a sufficient level of personnel in the MTFs is essential to providing a safe work environment for health care providers and quality care to patients. Consequently, additional action is necessary for the DoD to help recruit and retain health care personnel for normal operations and future surges when responding to pandemics and other health care emergencies.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Defense Health Agency Director, in consultation with the Defense Civilian Personnel Advisory Service:

- a. Develop and implement a plan to ensure a more competitive pay rate for nursing and other hard to fill medical positions in all Defense Health Agency regions.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness, responding for the DHA Director, agreed with the recommendation, stating that a DoD Tiger Team was established in September 2023 with one of its goals being to create a mechanism to independently and regularly adjust the pay schedules based on labor market conditions and internal staffing fluctuations. The Acting Under Secretary stated that there is also a plan to establish SSRs in locations that do not have any and to amend SSRs in locations that are no longer in line with market conditions. The Acting Under Secretary stated that the DoD has established approximately 250 SSRs and is in the process of establishing additional or updating existing SSR pay tables to align with VA rates. The Acting Under Secretary stated that this also allows the DoD to use title 38 overtime compensation for positions in which duties require employees to be on “on-call” status. The Acting Under Secretary stated that the DoD supports leveraging competitive pay rates for nurses and other hard to fill medical positions; however, the Acting Under Secretary also noted that the DoD is still subject to the executive level pay caps limiting its ability to fully compete with the local labor markets and any applicable collective bargaining requirements would need to be fulfilled and funding would need to be available to implement across the enterprise. Lastly, the Acting Under Secretary stated that the DoD has implemented certain title 38 authorities, such as the Physician, Podiatrists, and Dental Pay Plan, which is a compensation system for DoD physicians and dentists that enhances the DoD’s ability to be competitive in the prevailing labor market.

Our Response

Comments from the Acting Under Secretary of Defense for Personnel and Readiness addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation when we receive documentation of new or amended SSRs that support competitive pay rates for nursing and other hard to fill medical positions.

- b. Determine whether implementing certain provisions from title 38, United States Code, related to qualification requirements for nursing and other hard to fill medical positions, would enhance the DoD's efforts to help recruit and retain health care personnel.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness, responding for the DHA Director, agreed with the recommendation, stating that implementing title 38 authority related to qualifications would assist with recruitment and retention of nurses and other hard to fill health care occupations. The Acting Under Secretary stated that the OPM has entered into a title 38 delegation agreement with the DoD for the use of certain title 38 authorities for covered employees performing direct patient care.

Our Response

Comments from the Acting Under Secretary of Defense for Personnel and Readiness addressed the specifics of the recommendation and actions taken met the intent of the recommendation; therefore, the recommendation is closed.

- c. Develop and implement a plan to establish qualification requirements for nursing and other hard to fill medical positions if it is determined that it would enhance the DoD's efforts to help recruit and retain health care personnel.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness, responding for the DHA Director, agreed with the recommendation, stating that the DoD already has the authority to develop qualification requirements for certain medical positions and that a subgroup of the DoD Tiger Team, led by the DHA, is reviewing the qualification requirements.

Our Response

Comments from the Acting Under Secretary of Defense for Personnel and Readiness addressed the specifics of the recommendation; therefore, the recommendation is resolved, but will remain open. We will close the recommendation when we receive the results of the review and the plan to establish qualifications for nursing and other hard to fill medical positions.

Recommendation 2

We recommend that the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Health Affairs and the Defense Health Agency Director:

- a. Determine whether the DoD needs to extend waiving the authority to apply section 3326, title 5, United States Code, for appointments made to positions in medical or health profession with the DoD under the direct hire authority and, if so, provide the extension in a subsequent memo before the authority for covered positions expires on September 30, 2025.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness agreed with the recommendation, stating that the DoD supports implementing internal procedures for delegating the approval authority to waive 5 U.S.C. § 3326 to the point of impact to decrease any delays in approval of such requests.

Our Response

Comments from the Acting Under Secretary of Defense for Personnel and Readiness partially addressed the specifics of the recommendation; therefore, the recommendation is unresolved. Although the Acting Under Secretary agreed with the recommendation, the actions suggested do not meet the intent of our recommendation. The Acting Under Secretary discussed implementing procedures to decrease delays in approving waivers for 5 U.S.C. § 3326; however, the intent of our recommendation was not to decrease approval times for waivers but to continue to waive the requirements of 5 U.S.C. § 3326 to appoint retired Service members to covered civilian health care positions by extending the direct hire authority in memorandum, “Direct Hire Authority for Certain Personnel of the Department of Defense,” June 23, 2023, which expires on September 30, 2025. We request that the Acting Under Secretary provide comments within 30 days of the final report to address extending the waiver authority to apply 5 U.S.C. § 3326,

for appointments made to positions in medical or health profession with the DoD under the direct hire authority in a subsequent memorandum before the authority for covered positions expires on September 30, 2025.

- b. Determine whether updating DoD Instruction 1400.25 to exclude the health care positions that are difficult to fill from the 5-year continuous service limitation would be in the best interest of the DoD.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness disagreed with the recommendation, stating that there is an observed lack of workforce data for overseas extensions beyond 5 years. The Acting Under Secretary stated that the information presented in the report appears anecdotal and does not sufficiently quantify the impact of overseas extensions beyond 5 years for health care positions. Additionally, the Acting Under Secretary stated that they do not believe that a blanket exception for all health care personnel is an effective tool for addressing more inherent staffing and hiring issues. The Acting Under Secretary also stated that the information in the report refers to processing delays within the DHA, rather than issues inherent to the policy for the 5-year limitation. The Acting Under Secretary stated that the Defense Civilian Personnel Advisory Service recommends a more data-driven analysis for the root causes affecting hiring and retention of overseas health care personnel. Finally, the Acting Under Secretary stated that the purpose of the DoD's rotation policy is to periodically renew the knowledge and competencies of the overseas workforce, enhance the interoperability of employees, and promote a joint perspective in the workforce. The Acting Under Secretary stated that the policy serves to increase employment opportunities for military spouses and other family members who accompany their sponsors and provides short-term broadening opportunities for civilian employees in the United States.

Our Response

Although the Acting Under Secretary of Defense for Personnel and Readiness disagreed with the recommendation, their determination that a blanket exception for health care personnel should not be implemented met the intent of the recommendation. Therefore, the recommendation is closed.

- c. **Develop and implement a plan to revise DoD Instruction 1400.25 to exclude the health care positions that are difficult to fill from the 5-year continuous service limitation if it is determined that it would be in the best interest of the DoD.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness disagreed with the recommendation and referred to the response for recommendation 2b that states their determination that a blanket exception for all health care personnel is an ineffective tool for addressing more inherent staffing and hiring issues.

Our Response

Although the Acting Under Secretary of Defense for Personnel and Readiness disagreed with the recommendation, their determination in recommendation 2b that a blanket exception for health care personnel should not be implemented resolved this recommendation as well. Therefore, the recommendation is closed.

Recommendation 3

We recommend that the Defense Health Agency Director:

- a. **Revise Defense Health Agency Administrative Instruction 5136.03 to establish approval authority for any civilian personnel extensions outside the continental United States beyond a period of 7 years.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness, responding for the DHA Director, agreed with the recommendation, stating that the Director has the authority to approve extensions beyond 7 years and this provision is being incorporated into written policy.

Our Response

Comments from the Acting Under Secretary of Defense for Personnel and Readiness addressed the specifics of our recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once the DHA provides the published policy, and we verify that the approval authority in the published policy fully addresses the recommendation.

- b. Establish maximum time frames to approve civilian personnel extensions outside of the continental United States and require monitoring of extension approval timelines.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness, responding for the DHA Director, agreed with the recommendation, stating that DHA Network Directors are examining possible policy changes, which would allow tour extensions beyond 7 years.

Our Response

Comments from the Acting Under Secretary of Defense for Personnel and Readiness did not address the specifics of the recommendation; therefore, the recommendation is unresolved. Although the Acting Under Secretary stated that DHA Network Directors are examining possible policy changes to allow tour extensions beyond 7 years, the Acting Under Secretary's comments did not address establishing or monitoring maximum time frames to approve civilian personnel extensions outside of the continental United States. We request that the Acting Under Secretary of Defense for Personnel and Readiness provide comments within 30 days of the final report to address establishing maximum time frames to approve and monitor extension approval timelines for civilian personnel overseas.

- c. Conduct a study of Federal agencies that hire entry-level registered nurses to determine whether other strategies or incentives for attracting personnel for these positions would enhance the DoD's recruitment efforts.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness, responding for the DHA Director, agreed with our recommendation, stating that although no formal study has been conducted, research has been conducted on the classification, pay scales, and hiring practices for the VA, Indian Health Service, the Department of Health and Human Services, and the Federal Bureau of Prisons. The Acting Under Secretary stated that they found that these Federal agencies paid entry level nurses substantially more and that the VA has leveraged statutory authorities that allow for flexibility with pay and qualifications when recruiting and retaining nurses.

Our Response

Comments from the Acting Under Secretary of Defense for Personnel and Readiness addressed the specifics of the recommendation and actions taken met the intent of the recommendation; therefore, the recommendation is closed.

- d. Develop and implement a plan to apply strategies and incentives used by other Federal agencies to hire entry-level registered nurses if it is determined the strategies and incentives would enhance the DoD's recruitment efforts.**

Acting Under Secretary of Defense for Personnel and Readiness Comments

The Acting Under Secretary of Defense for Personnel and Readiness, responding for the DHA Director, agreed with our recommendation, stating that the DHA is considering whether strategies used by other agencies could be adopted.

Our Response

Comments from the Acting Under Secretary of Defense for Personnel and Readiness addressed the specifics of the recommendation; therefore, the recommendation is resolved, but will remain open. We will close the recommendation when we receive the results of the DHA's research and the plan to apply the strategies and incentives used by other Federal agencies to hire entry-level registered nurses.

Appendix

Scope and Methodology

We conducted this performance audit from July 2022 through February 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To determine whether the MTFs experienced shortages in health care personnel during the COVID-19 pandemic, we met with officials from the following organizations to gain an understanding of the DoD's health care personnel program, identify roles and responsibilities, and obtain documentation.

- Assistant Secretary of Defense for Health Affairs
- Assistant Secretary of Defense for Manpower and Reserve Affairs
- Defense Civilian Personnel Advisory Service
- Defense Health Agency
- U.S. Army Medical Command
- U.S. Navy Bureau of Medicine and Surgery
- U.S. Air Force Medical Readiness Agency
- Assistant Secretary of the Army for Manpower and Reserve Affairs
- DoD Medical Treatment Facilities listed in Table 2

We selected a nonstatistical sample from the 26 MTFs that reported “staffing and manpower shortages” as a serious challenge in Report No. DODIG-2022-081, “Evaluation of Department of Defense Military Medical Treatment Facility Challenges During Coronavirus Disease–2019 (COVID-19) Pandemic in Fiscal Year 2021,” April 5, 2022. To compare similar facility types, we excluded three MTFs that were not an inpatient hospital or medical center. We also added one additional MTF that identified staffing and manpower as a serious future concern, for a total of 24 MTFs, to determine if they were still experiencing shortages of health care personnel. See Table 2 for the locations of the 24 MTFs we nonstatistically sampled.

Table 2. Names and Locations of the 24 Nonstatistically Selected MTFs

MTF Name	Location
673d Medical Group - Joint Base Elmendorf-Richardson	Elmendorf Air Force Base, Alaska
60th Medical Group - Travis Air Force Base	Travis Air Force Base, California
Naval Hospital Camp Pendleton	Camp Pendleton, California
Naval Medical Center San Diego	San Diego, California
Naval Hospital Twentynine Palms	Twentynine Palms, California
Naval Hospital Jacksonville	Jacksonville, Florida
Martin Army Community Hospital	Fort Benning, Georgia
Tripler Army Medical Center	Honolulu, Hawaii
Blanchfield Army Community Hospital	Fort Campbell, Kentucky
Walter Reed National Military Medical Center	Bethesda, Maryland
Womack Army Medical Center	Fort Bragg, North Carolina
Naval Medical Center Camp Lejeune	Camp Lejeune, North Carolina
88th Medical Group - Wright-Patterson Air Force Base	Wright-Patterson AFB, Ohio
William Beaumont Army Medical Center - Fort Bliss	Fort Bliss, Texas
Naval Medical Center Portsmouth	Portsmouth, Virginia
Madigan Army Medical Center	Tacoma, Washington
Naval Hospital Bremerton	Bremerton, Washington
Army Community Hospital Weed-Irwin	Fort Irwin, California
Landstuhl Regional Medical Center	Landstuhl, Germany
Naval Hospital Rota	Rota, Spain
Naval Hospital Guam	Agana, Guam
Navy Medicine Readiness & Training Command Sigonella, Italy	Sigonella, Italy
48th Medical Group – Royal Air Force Lakenheath	Royal Air Force Lakenheath, United Kingdom
51st Medical Group - Osan Air Base	Osan Air Base, South Korea

Source: The DoD OIG.

Our review focused on MTF personnel experiences from March 1, 2019, through September 30, 2022. We conducted virtual interviews with officials from the MTFs, the DHA, the Office of the Assistant Secretary of Defense for Health Affairs, and the Service medical commands between August 11, 2022, and March 17, 2023. We also followed up with the DHA and the Defense Civilian Personnel Advisory Service with any policy updates from August to November 2023. We did not

require specific personnel to participate in our interviews, but requested that the MTF officials identify personnel they thought would offer the best insights into staffing challenges, impacts, and mitigation strategies. Participants included individuals such as MTF commanders, public health emergency officers, hiring authorities, leaders for the MTF administration and nursing, and logisticians. We asked open-ended questions about the specialties or positions most affected by shortages of health care personnel; the causes of the shortages; the impacts of the shortages; and any mitigating strategies used by the MTFs, the DHA, or Services to recruit new personnel, retain existing personnel, and reduce burnout in health care personnel.

Where available, the DHA and the MTF officials provided documentation to support their interview statements. If data provided by the MTFs indicated shortages in a specific position, we included that position in our shortages analysis, even if the MTF officials did not mention it during our interviews. Following our interviews and analysis of documentation, we counted the number of the MTFs that shared each health care shortage, cause, or impact.

We obtained the following data and documentation to review the specialties or positions most affected by shortages of health care personnel; the causes of the shortages; the impacts of the shortages; and any mitigating strategies used by the MTFs, the DHA, or Services to recruit and retain health care personnel.

- House Report 116-442, page 150, accompanying H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 on Behavioral Health Requirements of the Department of Defense, January 3, 2022, to report shortages in health care personnel before the COVID-19 pandemic.
- Manpower and recruiting data, where available, to corroborate interview statements on shortages in health care personnel before and during the COVID-19 pandemic. The DHA provided personnel data for the civilians under its authority, direction, and control as of January 2023 from the Defense Civilian Personnel Data system and the DHA Joint Table of Distribution. The MTFs provided personnel data for military personnel, civilians, and contractors under their authority, direction, and control before the DHA transition from the Defense Medical Human Resources System – internet; Activity Manpower Documents for Navy facilities extracted by the MTFs from the Navy’s Total Force Manpower Management System; unit manpower documents from the Air Force’s Manpower Programming & Execution System and Medical Planning and Programming Tool; MTF generated gain-loss rosters; recruitment

personnel actions; and staffing tables of distribution and allowances maintained by the MTFs and extracted from each service's databases, such as the Fourth Estate Manpower Tracking System.

- DHA SSR Overview briefing; the DoD's annual reports to Congress on the use of title 38 authorities; Delegation agreements between the OPM and the DoD, effective December 30, 1993; July 1, 2002; July 1, 2012; June 22, 2022; and September 14, 2023; 180-day waiver tracking spreadsheets; the OPM's occupational requirements; and government job postings to report reasons for shortages in health care personnel.
- Access to care reports, premium hour reports, patient satisfactory surveys, and comprehensive systematic analyses to report examples of impacts of health care personnel shortages.
- DoD and DHA guidance to identify mitigation strategies used by the DHA to recruit and retain providers within the DoD.
 - USD(P&R) Memorandum, "Direct Hire Authority for Certain Personnel of the Department of Defense," April 2, 2020
 - USD(P&R) Memorandum, "Additional Healthcare Occupations Temporarily Covered by Department of Defense Direct Hire Authority," July 20, 2020
 - USD(P&R) Memorandum, "Expansion of Direct Hire Authority for Certain Personnel of the Department of Defense," October 15, 2021
 - USD(P&R) Memorandum, "Direct Hire Authority for Certain Personnel of the Department of Defense," June 23, 2023
 - DHA Administrative Instruction 1340.01, "Pay Setting Policy," July 1, 2022

We reviewed the following Federal laws and DoD guidance related to health care personnel programs.

- Public Law 114-328, "National Defense Authorization Act for Fiscal Year 2017," December 23, 2016
- Public Law 115-232, "John S. McCain National Defense Authorization Act for Fiscal Year 2019," August 13, 2018
- Section 3326, title 5, United States Code, "Appointments of retired members of the armed forces to positions in the Department of Defense"
- DoD Directive 5136.13, "Defense Health Agency (DHA)," September 30, 2013
- DoD Instruction 1400.25, Volume 543, "DoD Civilian Personnel Management System: DoD Civilian Physicians and Dentists Pay Plan," February 12, 2018

- DoD Instruction 1400.25, Volume 1230, “DoD Civilian Personnel Management System: Employment in Foreign Areas and Employee Return Rights,” July 26, 2012 (Incorporating Change 1, July 29, 2022)
- DoD Instruction 1402.01, “Employment of Retired Members of the Armed Forces,” September 9, 2007
- DHA Administrative Instruction 5136.03, “Delegation of Authority and Assignment of Responsibility for Administration and Management of Direct Care,” November 3, 2022

OPM and VA officials reviewed and commented on relevant portions of the draft report. We considered their comments in preparing the final report.

Internal Control Assessment and Compliance

We gained an understanding of internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we gained an understanding of the control components and underlying principles relevant to whether DoD MTFs experienced shortages in health care personnel before and during the COVID-19 pandemic. Specifically, we reviewed the control environment, including management’s organizational structure necessary to enable the entity to plan, execute, control, and assess its staffing requirements. In addition, we reviewed the control activities, including the actions established by management through policies and procedures to achieve objectives and respond to risks related to tracking and reporting manpower. Finally, we reviewed the information and communication that management and personnel used to determine the quality of information for coordinating staffing requirements and staffing matters, such as monitoring health care personnel levels, backfilling personnel shortages, and recruiting and retaining personnel. We determined that while internal controls were relevant, they were not significant to achieving the audit objective; therefore, in accordance with GAGAS 8.49, we did not assess the internal controls. Because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Use of Computer-Processed Data

We conducted interviews with stakeholders and relied on the testimonies from MTF personnel and requested data to corroborate their statements. We used computer-processed data to confirm the personnel shortages that were stated during the interviews. Our analysis included shortages in specific positions that were not mentioned during the interview because they were identified in the MTF-provided data. We did not test the reliability of the data received

because testimonial statements were the main source of information, and computer-processed data was not provided by every MTF. Additionally, the use of the computer-processed data will not affect overall findings, conclusions, or recommendations of this audit.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO), DoD Office of Inspector General (DoD OIG), Air Force Audit Agency, Pandemic Response Accountability Committee (PRAC), and Health and Human Services Office of Inspector General (HHS OIG) issued nine reports discussing health care personnel shortages.

Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

Unrestricted Air Force Audit Agency reports can be accessed from <https://www.afaaf.af.mil/> by clicking on Freedom of Information Act Reading Room and then selecting audit reports.

Unrestricted PRAC reports can be accessed at <https://www.pandemicoversight.gov>.

Unrestricted HHS OIG reports can be accessed at <https://oig.hhs.gov/reports-and-publications/index.asp>.

GAO

Report No. GAO-22-105461, “Public Health Preparedness: COVID-19 Medical Surge Experiences and Related HHS Efforts,” August 17, 2022

The report addressed the COVID-19 pandemic and highlighted the importance of hospitals’ abilities to evaluate and care for an increased volume of patients when exceeding normal operating capacity. The report described medical surge challenges selected hospitals faced in responding to the COVID-19 pandemic and how health care coalitions have supported their efforts. It also described selected HHS programs and activities underway to support medical surge readiness. The report highlighted challenges related to staff, supplies, space, and information.

Report No. GAO-20-165, “DoD Should Collect and Use Key Information to Make Decisions about Incentives for Physicians and Dentists,” January 15, 2020

The GAO conducted this study in response to Section 597 of the John S. McCain NDAA for FY 2019, which included a provision to review military physician and dentist compensation. The GAO found that cash compensation for military

physicians and dentists in most of the 27 medical and dental specialties was generally less than the median compensation of private sector civilians. Additionally, the DoD did not consistently collect information related to replacement costs, current and historical retention, and private sector civilian wages to help inform investment decisions in its package of recruitment and retention incentives.

Report No. GAO-18-77, "Additional Actions Needed to Address Gaps in Military Physician Specialties," February 28, 2018

The GAO conducted this study in response to Senate Report 114-255, which included a provision to review the recruitment, accession, and retention of military health care professionals. The GAO found that the DoD has experienced gaps between its physician authorizations (funded positions) and end strengths (such as the number of physicians). Additionally, its overall approach to address these gaps focuses on the individual service components relying on the scholarship program, university, and other programs to recruit and retain physicians. However, this approach did not include targeted and coordinated strategies to address key physician shortages.

DoD OIG

Report No. DODIG-2022-081, "Evaluation of Department of Defense Military Medical Treatment Facility Challenges During the Coronavirus Disease-2019 (COVID-19) Pandemic in Fiscal Year 2021," April 5, 2022

The objective of this evaluation was to determine the challenges and concerns encountered by medical personnel working at DoD Military Medical Treatment Facilities (MTF) during the COVID-19 pandemic. MTF officials reported challenges related to staffing shortages, future concerns, and enduring challenges. The report recommended that the Assistant Secretary of Defense for Health Affairs develop DoD policy to include place limits on the time worked in a week to reduce fatigue and burnout; and direct a working group to implement the recommendations in the Military Health System COVID-19 After Action Report. The report also recommended the Director of Defense Health Agency establish a working group to address staffing challenges identified in the report; establish the manpower requirements for the COVID-19 mission; and identify the medical personnel requirements within the MTFs needed for future long-term pandemic response and biological incidents.

Report No. DODIG-2020-133, “Evaluation of Department of Defense Medical Treatment Facility Challenges During the Coronavirus Disease–2019 (COVID-19) Pandemic,” September 30, 2020

The objective of this evaluation was to determine the challenges and needs encountered by personnel working at DoD MTFs while responding to the COVID-19 pandemic. The evaluation team conducted interviews with officials from 54 MTFs to identify challenges expressed by MTF personnel. MTF officials reported challenges in five main areas during the COVID-19 pandemic: (1) personnel, (2) supplies, (3) testing capabilities, (4) information technology, and (5) guidance and lines of authority. The evaluation team did not validate the information provided by personnel responsible for the MTFs’ operations and COVID-19 response. The report recommended that the Under Secretary of Defense for Personnel and Readiness, in conjunction with the Assistant Secretary of Defense (Health Affairs) and the Secretaries of the Military Departments, establish a working group within 30 days to address the personnel, supplies, testing capabilities, information technology, communication, and lines of authority challenges identified during the COVID-19 pandemic between the Services and the DHA.

Air Force

Report No. F2018-0007-040000, “Clinic Staff Availability,” August 10, 2018

The Air Force conducted this evaluation as requested by the Surgeon General of the Air Force to determine whether Air Force personnel developed authorized clinic positions based on budget estimates, filled authorized clinic positions, and ensured clinic staff availability. The Air Force concluded that authorized positions were developed; however, Air Force personnel did not fill all authorized clinic positions and could not ensure clinic staff availability.

PRAC

Report No. PRAC-2023-03, “Review of Personnel Shortages in Federal Health Care Programs During the COVID-19 Pandemic,” September 21, 2023

The report provided insights across four federal health care programs reviewed. Nurses and medical officers were the most commonly reported positions that experienced shortages during the pandemic. A limited labor pool, noncompetitive pay, COVID-19 requirements, and a challenging hiring process were the most commonly reported factors contributing to the personnel shortages. A decrease in patient access to care and patient satisfaction and

an increase in health care personnel work hours and responsibilities were the most commonly reported impacts resulting from personnel shortages. Monetary incentives were the most commonly reported strategy to recruit and retain personnel.

HHS OIG

Report No. OEI-09-21-00140, "Hospitals Reported That the COVID-19 Pandemic Has Significantly Strained Health Care Delivery," March 2021

The HHS OIG conducted a "pulse" survey, consisting of brief interviews with officials at 320 hospitals nationwide in February 2021. The HHS OIG asked hospital officials questions about their most difficult challenges, strategies to address the challenges, greatest concerns going forward, and how the Government can support the hospital. The HHS OIG identified key challenges related to health care delivery, staffing, vaccinations, and finances at the hospitals where it interviewed officials. The HHS OIG reported on the challenges faced by the hospitals and the strategies the hospital officials used to address those strategies. The HHS OIG did not make any recommendations.

Report No. OEI-06-20-00300, "Hospital Experiences Responding to the COVID-19 Pandemic: Results of a National Pulse Survey," April 2020

The HHS OIG conducted a "pulse" survey, consisting of brief interviews with officials at 323 hospitals across 46 states, the District of Columbia, and Puerto Rico in March 2020. The HHS OIG asked hospital officials questions about their most difficult challenges in responding to COVID-19, strategies used to address or mitigate the challenges, and how Government can best support the hospitals. The HHS OIG identified key challenges related to health care delivery, personnel protective equipment, staffing, and finances at the hospitals where it interviewed officials. The HHS OIG reported on the challenges faced by the hospitals and the strategies used by hospital officials to address those strategies. The HHS OIG did not make any recommendations.

Management Comments

Under Secretary of Defense for Personnel and Readiness



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

APR 18 2024

MEMORANDUM FOR INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

SUBJECT: Response to Department of Defense Inspector General Draft Report, "Audit of DoD Health Care Personnel Shortages During the Coronavirus Disease-2019 Pandemic" (Project No. D2022-D000AW-0158.000)

This memorandum responds to the DoD Inspector General Draft Report, "Audit of DoD Health Care Personnel Shortages During the Coronavirus Disease-2019 Pandemic" (Project No. D2022-D000AW-0158.000). I concur with recommendations 1a., 1b., 1c., 2a., 3a., 3b., 3c., and 3d. I non-concur with recommendations 2b. and 2c. The attached consolidated response was developed based on input provided by the Defense Health Agency, the Defense Civilian Personnel Advisory Service, and the Office of the Assistant Secretary of Defense for Health Affairs.

My point of contact for this matter is [REDACTED] or [REDACTED]

Ashish S. Vazirani
Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

Attachment:
As stated

Under Secretary of Defense for Personnel and Readiness (cont'd)

**Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R))
Response to Department of Defense Inspector General Draft Report, “Audit of DoD Health
Care Personnel Shortages During the Coronavirus Disease–2019 Pandemic”
(Project No. D2022-D000aw-0158.000**

Recommendation 1a. – We recommend that the Defense Health Agency Director, in consultation with the Defense Civilian Personnel Advisory Service: Develop and implement a plan to ensure a more competitive pay rate for nursing and other hard to fill medical positions in all Defense Health Agency regions.

OUSD(P&R) Response: Concur. A DoD Tiger Team was established in September 2023. One of its goals is to create a mechanism to independently and regularly adjust the pay schedules based on labor market conditions and internal staffing fluctuations. The plan also includes the effort to establish Special Salary Rates (SSRs) in locations that do not have any and amend SSRs in locations that are no longer in line with market conditions. While the DoD supports leveraging competitive pay rates for nurses and other hard to fill medical positions, we are still subject to the executive level pay caps, which limits our ability to fully compete with the local labor markets. It is important to note that any applicable collective bargaining requirements would need to be fulfilled and funding would need to be available to implement across the enterprise. Below are the authorities currently in use:

Physicians, Podiatrists, and Dental Pay Plan (PDPP).

PDPP is considered a hybrid pay system because it combines pay authorities under title 5, title 10, and title 38, United States Code. This blend of authorities provides the structure and authority to establish a compensation system for DoD physicians and dentists that enhances DoD's ability to be competitive in the prevailing labor market.

- The tables are based on medical/dental clinical specialty and are further divided into salary tiers that reflect comparable complexity in salary recruitment and retention considerations and are predicated on the scope of responsibility and type of work environment.
- Tables and tiers are defined by Department of Veterans Affairs (VA) as primary components of its physician and dentist pay system.
- The PDPP is designed with the flexibility to consider subsequent pay adjustments as recommended by the Health Professions Civilian Compensation Standing Committee and approved by the Assistant Secretary of Defense for Health Affairs and the Deputy Assistant Secretary of Defense for Civilian Personnel Policy to reduce strategically relevant pay gaps, both internally and externally, for like positions in the local labor market.

Under Secretary of Defense for Personnel and Readiness (cont'd)

Title 38 SSRs:

Currently, DoD has established approximately 250 SSRs, which cover about 11,000 employees. DoD is in the process of establishing additional pay tables in locations that have not yet implemented the SSR authority and initiating a mass effort to update/amend existing SSR pay tables to align with VA rates. The agency is fully engaged and postured to continue to maintain or achieve pay parity with the VA and receive competitive special salary rates that align with current market pay. This agreement also allows DoD to utilize title 38 overtime compensation for positions in which duties require employees to be on “on-call” status.

Recommendation 1b. – We recommend that the Defense Health Agency Director, in consultation with the Defense Civilian Personnel Advisory Service: Determine whether implementing certain provisions from title 38, United States Code, related to qualification requirements for nursing and other hard to fill medical positions, would enhance the DoD’s efforts to help recruit and retain health care personnel.

OSD(P&R) Response: Concur. Implementing the title 38 authority pertaining to qualifications would assist with recruitment and retention of nurses and other hard to fill healthcare occupations. The Office of Personnel Management (OPM) has entered into a title 38 delegation agreement with the DoD for the use of certain title 38 authorities for covered employees performing direct patient care.

Recommendation 1c. – We recommend that the Defense Health Agency Director, in consultation with the Defense Civilian Personnel Advisory Service: Develop and implement a plan to establish qualification requirements for nursing and other hard to fill medical positions if it is determined that it would enhance the DoD’s efforts to help recruit and retain health care personnel.

OSD(P&R) Response: Concur. DoD already has the authority to develop qualification requirements for certain medical positions in accordance with the OPM delegation agreement (5 U.S.C. § 5371). Currently, the Defense Health Agency (DHA) is the lead, and has a subgroup from the aforementioned Tiger Team reviewing the qualification requirements.

Recommendation 2a. – We recommend that the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Health Affairs and the Defense Health Agency Director: Determine whether the DoD needs to extend waiving the authority to apply section 3326, title 5, United States Code, for appointments made to positions in medical or health profession with the DoD under the direct hire authority, and in a subsequent memo before the authority for covered positions expires on September 30, 2025.

OSD(P&R) Response: Concur. The DoD supports implementing internal procedures for delegating approval authority to waive 5 U.S.C. § 3326 to the point of impact to decrease any delays in approval of such requests.

Under Secretary of Defense for Personnel and Readiness (cont'd)

Recommendation 2b. – We recommend that the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Health Affairs and the Defense Health Agency Director: Determine whether updating DoD Instruction 1400.25 to exclude the health care positions that are difficult to fill from the 5-year continuous service limitation would be in the best interest of the DoD.

OUSD(P&R) Response: Non-concur. Our stance is predicated on the observed lack of concrete, empirical workforce data pertaining to Overseas Tour Extensions (OTE) beyond 5 years. The information presented within the report, which is utilized to justify these recommendations, appears largely anecdotal and does not sufficiently quantify the impact of OTEs beyond 5 years on health care personnel shortages. We do not believe a blanket exception for all healthcare personnel is an effective tool in addressing more inherent staffing and hiring issues.

Furthermore, the information cited in the report seems to indicate processing delays within DHA, rather than pinpointing issues inherent to the policy content regarding the 5-year limit. The Defense Civilian Personnel Advisory Service recommends an approach and business case that relies on a more data-driven analysis and clearer delineation of the root causes affecting hiring and retention of overseas health care personnel.

The purpose of DoD's rotation policy is to periodically renew the knowledge and competencies of the overseas workforce, enhance the interoperability of employees, and promote a joint perspective in the workforce. The policy serves to increase employment opportunities for our military spouses and other family members who accompany their sponsors, and provides short-term career broadening opportunities for civilian employees in the United States.

Recommendation 2c. – We recommend that the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Health Affairs and the Defense Health Agency Director: Develop and implement a plan to revise DoD Instruction 1400.25 to exclude the health care positions that are difficult to fill from the 5-year continuous service limitation if it is determined that it would be in the best interest of the DoD.

OUSD(P&R) Response: Non-concur. See response to recommendation 2b.

Recommendation 3a. – We recommend that the Defense Health Agency Director: Revise Defense Health Agency Administrative Instruction 5136.03 to establish approval authority for any civilian personnel extensions outside the continental United States beyond a period of 7 years.

OUSD(P&R) Response: Concur. The Director, DHA has the authority to approve extensions beyond 7 years and this provision is being incorporated into written policy.

Under Secretary of Defense for Personnel and Readiness (cont'd)

Recommendation 3b. – We recommend that the Defense Health Agency Director: Establish maximum time frames to approve civilian personnel extensions outside of the continental United States and require monitoring of extension approval timelines.

OUSD(P&R) Response: Concur. DHA Network Directors are examining possible policy changes which would allow tour extensions beyond 7 years.

Recommendation 3c. – We recommend that the Defense Health Agency Director: Conduct a study of Federal agencies that hire entry-level registered nurses to determine whether other strategies or incentives for attracting these positions would enhance the DoD's recruitment efforts.

OUSD(P&R) Response: Concur. Although no formal study has been conducted, research has been conducted on five Federal agencies. The Department has reviewed classification, pay scales, and hiring practices for the VA, Indian Health Service, the Department of Health and Human Services, and the Federal Bureau of Prisons. It was found that these Federal agencies pay entry level nurses substantially more. The VA has leveraged statutory authorities to allow for flexibility (in pay and qualifications) in recruiting and retaining nurses.

Recommendation 3d. – We recommend that the Defense Health Agency Director: Develop and implement a plan to apply strategies and incentives used by other Federal agencies to hire entry-level registered nurses if it is determined the strategies and incentives would enhance the DoD's recruitment efforts.

OUSD(P&R) Response: Concur. DHA is considering whether strategies used by other agencies could be adopted.

Acronyms and Abbreviations

DCPAS	Defense Civilian Personnel Advisory Service
DHA	Defense Health Agency
GAO	Government Accountability Office
GS	General Schedule
HHS OIG	Health and Human Services Office of Inspector General
LPN	Licensed Practical Nurse
MHS	Military Health System
MTF	Medical Treatment Facility
NDAA	National Defense Authorization Act
OCONUS	Outside of the Continental United States
OPM	Office of Personnel Management
PRAC	Pandemic Response Accountability Committee
RN	Registered Nurse
SSR	Special Salary Rate
U.S.C.	United States Code
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
VA	U.S. Department of Veterans Affairs
VHA	Veterans Health Administration



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U.S. DEPARTMENT OF DEFENSE

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