THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D C. 20301-1200

HEALTH AFFAIRS

AUG 22 2006

The Honorable John W. Warner
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Mr. Chairman:

This letter is in response to Senate Report 109-141 that requests the Assistant Secretary of Defense (Health Affairs) to provide a report to the congressional defense committees comparing accession bonuses, salaries and other benefits offered by Department of Defense (DoD) and Department of Veterans Affairs (VA), and their effect on recruitment and retention rates by March 1.

The Department welcomes the opportunity to address the accession bonuses, salaries and other benefits offered by the DoD and VA and their impact on recruitment and retention. Due to the complexity of the issue, as mentioned in our interim report, additional time was required to execute a comprehensive study. The report was completed with the able assistance of the Uniformed Services University of the Health Sciences.

Thank you for your continued support of the Military Health System.

Sincerely,

William Winkenwerder, Jr., MD

cc:
The Honorable Carl Levin
Ranking Member

Senate Reporting Requirement on Nurse Recruiting and Retention

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1. EXECUTIVE SUMMARY

Since the Army, Navy and Air Force Nurse Corps were established in 1901, 1907 and 1949 respectively, the military has constantly been challenged to procure and maintain adequate numbers of nurses to provide quality care. Throughout the years, during peace and war, a multitude of retention and recruitment strategies were implemented to maintain the nursing workforce. Longstanding strategies focused on financial and educational initiatives have historically been optimized to assist the services in meeting the desired nursing end-strength.

Today, the challenge to meet service end-strength is confounded as the nursing workforce begins to shrink. By 2010, it is estimated the nation will need 1.2 million new nurses to replace those who have retired. By the year 2020, the nursing shortfall is predicted to reach 30% with the civilian and military sectors each competing for these limited nursing resources. The national nursing shortage is predicted to reach levels never before experienced. These growing needs for nurses coupled with the Global War on Terrorism (GWOT) are but a few variables that challenge the DoD and VHA's ability to maintain a level of recruitment and retention required to maintain desired end-strength.

The nursing shortage has clearly impacted the DoD and VHA as it has the private sector. From 2000 to 2005 the mean vacancy rate increased from 1.4% in FY 2000 to 6.8% in FY 2005. This increase resulted in the overall mean number of open billets per military service increasing from 45 in FY2000 to 239 in FY 2005, with a total resultant deficit of over 716 nurses in 2005 for the three services combined. While the VHA had a significantly higher number of open positions (mean=2783), the number has remained fairly stable over the last 5 years. In addition, recruitment continues to lag. Despite military recruitment goals that were consistently set lower than the numbers required to fill all available billets, the mean percentage of recruitment goals met dropped drastically from FY 2000 (87.5%) to FY 2005 (65.3%), with the drop starting in FY2004, right as the GWOT escalated. The separation/turnover rate was fairly stable over the time period reviewed, even for the VHA. Although the rate dropped slightly from FY 2000 to FY 2002, it rose again so that the mean turnover in FY 2000 and the mean turnover in FY 2005 are nearly identical (11.1 vs. 11.3).

Given that the separation rate is stable, clearly the shortage of nurses is likely to be directly related to the services inability to recruit adequate numbers of new nurses. Recruitment bonuses have been of uncertain value. In the last two years when the military bonuses were increased from $5K to $10K (2004) and then to $15K (2005), recruitment actually showed its largest drop. However, since this time period also coincides with the start of Operation Iraqi Freedom (OIF), it is difficult to ascertain if the military bonuses were ineffective or if they actually prevented the nurse shortfall from becoming worse. However, using the VHA as a comparator, the VHA has consistently offered higher recruitment bonuses yet until 2005 actually had higher vacancy rates. This fact would lead to the conclusion that money alone is insufficient to spur recruitment. It must be noted that data is insufficient to make a definitive statement.

The Department of Defense (DoD) has already implemented many initiatives similar to those implemented by the VHA to increase rates of recruitment and retention including appeals to patriotism, adjusted entrance requirements, federally financed educational opportunities and

specialty bonuses. The growing national nursing shortage combined with the readiness and operational demands of the current service environment require that expanded and new initiatives be explored if a cadre of qualified nurses is to be recruited and maintained. The data suggest that financial incentives alone may not resolve the current military nursing shortage. Studies of nurses leaving the services indicate that strategies to address quality of family life, deployment rotations (frequency and length), and the work environment could be of equal or more importance in meeting and maintaining desired nursing end-strength.

Senate Reporting Requirement on Nursing Recruiting and Retention

The following review is submitted in response to your request for background information and data to answer the following concern:

> "The Committee directs the Assistant Secretary of Defense for Health Affairs to provide a report to the congressional defense committees comparing accession bonuses, salaries and other benefits offered by DOD and VHA and their effect on recruitment and retention rates..." *Senate Report language (109-141) that accompanied the Fiscal Year 2006 Defense Appropriation Bill*

A brief historical overview creates a context for current nursing recruitment and retention challenges. Discussion of the national nursing shortage illuminates the problems faced today, as well as, variables that impact recruiting and retention. VHA successes in these areas offer a goal that may also be realistic for the services. Five-year data from the services and the VHA is compared and evaluated with conclusions and recommendations.

Recruiting/Retention: A Historical Perspective:

Since the Army, Navy and Air Force Nurse Corps were established in 1901, 1907 and 1949 respectively, the military has constantly been challenged to procure and maintain adequate numbers of nurses to provide quality care. Initially, from 1901-1914, to attract nurses to join the nurse corps, appeals to patriotism, travel in foreign lands and varied nursing experience were selling points. Retention was not a focus because of societal expectations of women marrying and only single women were eligible to serve as military nurses.

During World War I, for the first three years, the United States maintained neutrality. During this time of military non-involvement, the American Red Cross became the military "reserve force" by purchasing equipment for hospitals, and enrolling nurses and other health professionals in these units so they were ready to be mobilized for federal service. Establishing military and collegiate training programs, such as the Army School of Nursing, and the Vassar Training Camp, to underwrite educational expenses represented another type of recruitment strategy. As the war progressed, standards for entrance into the corps were adjusted and regulations governing service changed. For example, the age requirements were broadened, African American and Roman Catholic nurse nuns were recruited, citizens of allied countries were allowed to serve and nursing licensure registration was waived. There were no intentions for entrance criteria to remain this broad, since after the war, only white female registered nurses who were American citizens were considered for selection.

During the inter war years, interest in maintaining viable cohorts of military nurses spurred military nurses and concerned citizens to press for improvements in pay and benefits, and the system of retirement. During World War II, military recruitment practices followed those of previous times: appeals to patriotism, Red Cross recruiting/screening applicants; adjusted entrance requirements and federally financed educational opportunities. Additionally, there was an aborted attempt in 1943 at the nadir of the war to pass a law for a draft of male nurses.

Interestingly, this proposed legislation failed; consequently, male nurses were not allowed in active federal service until 1955.

After World War II, the exodus of nurses from the military, created inadequacies in the strength of the force, which dipped far below levels considered safe. Financial support for degree completion, specialty training and military schooling were strategies used both to retain and recruit military nurses. Entrance requirements were continually adjusted by all three services to attract nurses. For the first time, bonus pay was given. Retention strategies were also similar to earlier years. For instance, the number of officers serving at a particular rank was adjusted higher and one's overseas tour period was lessened. Pay and allowance were adjusted to be identical to those received by other commissioned officers. Quite significantly, retirement pay was also computed in the same manner as it was calculated for other officers.

The period from the early 1960s to the mid-1970s was marked by longstanding, ubiquitous nursing shortages and a perplexing war in Vietnam. Educational incentives once again came to the forefront to alleviate the nursing shortage. A male nurse draft, the activation of reserve units some of whose officers remained on active duty, and civilianization of nursing positions were other means used to achieve an adequate nurse force. In 1972, the Reserve Officer Training Corps (ROTC) accepted first students majoring in nursing. By 1975, recruiting goals were met; thus, educational programs and tuition reimbursement programs were discontinued for several years. However, by 1980, the recruitment goals again became a problem. Many financial initiatives to recruit and retain both civilian and military nurses were created, incentive pay for Certified Registered Nurse Anesthetists was authorized; and greater numbers and varieties of collegiate scholarships were offered. College education for enlisted service members was underwritten during this period. By 1989, the military nurse corps began to see positive results from the many incentive programs implemented across the decade.

The nursing shortage of the 1980s gave way in the early 1990s to a brief period of surplus while predictions of a higher demand for nurses to care for victims of the AIDS epidemic, the growing geriatric population, and the increased need for community-based care seemed ominous. However, the reversal of the shortage was brief and deficit conditions returned in the mid-1990s. Reductions in forces have followed every war and the end of the Cold War and conclusion of Operation Desert Storm proved no exceptions until the force was right-sized by 1998. Again, the protracted nursing shortage affected the military nurse corps. Retention initiatives, such as bonuses for nurse anesthetists and operating room nurses, mandatory retirement periods were extended and the $18 million Health Loan Repayment Program for accession and retention were utilized.

National RN Nursing Shortage:

In testimony delivered to the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies on March 29, 2006, Dr. Jeanette Lancaster, representing the Tri-Council of Nursing (the American Association of Colleges of Nursing, the American Nurses Association, the American Organization of Nurse Executives, and the National League for Nursing), shared current RN workforce concerns in the United States. Those concerns include the following:

- America's current workforce of 2.9 million RNs is aging;
- Sicker patients require more advanced care and technology; and
- Despite significant efforts to increase enrollments in schools of nursing nationwide, programs are unable to quickly meet the huge demand for nurses.

Dr. Lancaster continued the testimony stating that:

- By 2014, the need for 1.2 million new and replacement nurses is projected by the U.S. Bureau of Labor Statistics (BLS).
- If educational trends remain at current levels, the U.S. will be short 800,000 nurses by 2012.
- The American College of Healthcare Executives reported that 85% of hospitals were experiencing a nursing shortage in 2005.
- America's 5,000 community health centers are experiencing an average vacancy rate of 10 percent for RNs and 9 percent for nurse practitioners.
- By the year 2020, the shortfall of nurses will be 29 percent unless significant action is taken now.

Lancaster expressed concern about the many challenges that nursing faces not only now, but in the future.

- The growing need for adequate number of nurses to participate in disaster preparedness and response.
- The ongoing hostilities in the Middle East are taxing the ability of the military and the Department of Veterans Affairs to deliver needed nursing care to today's dedicated service members and veterans.

Factors that Lancaster identified as contributing factors to the increasing need for nurses include:

- the aging of America's population;
- a period of disinterest in a nursing career coupled with the growth of lucrative career options for women,
- an aging population of practicing nurses, increasing numbers of RN retirements, and
- a high demand for intensive health care services by chronically ill, medically complex patients all challenging the growth of the nursing workforce.
- Shortage of qualified faculty and classroom space makes the effort to increase the number of new nurses extremely difficult especially when nursing schools must turn away large numbers of interested and qualified applicants.
- Given the urgent and continuing need for nurses, Dr. Lancaster requested funding in the amount of $175 million for Nursing Workforce Development Programs at the Division of Nursing.

More specific data related to the nursing shortage reported by HRSA Nursing Workforce and Education Programs FY 2007 Appropriations Fact Sheet includes the following:

- RNs entering the workforce are older. The average age of new RN graduates is 31 years (Buerhaus, Staiger, & Auerback, 2000).
- The average age of the RN population has increased to 47 years.

- The number of RNs leaving the workforce will outpace the number or RNs entering.
- The demand for RNs will grow 29 percent by the year 2014.
- The projected growth in demand for RNs will necessitate a 90 percent increase in the number of new RN graduates
- The demand for nursing services will significantly increase in 2010 as 77 million baby boomers reach the age of 65
- The average age of nurse faculty as of 2004 was 52 years of age.
- The faculty shortage limits the number of students a university can admit.
- This barrier resulted in almost 33,000 qualified student applicants were turned away from entry-level baccalaureate program in 432 schools.
- In addition, an estimated 147,000 qualified students were turned away from all nurse degree levels of education due to faculty shortage necessary to teach this number of students.

Clearly, the national nursing shortage is unlike any nursing shortage experienced in the past. This shortage, with all its implications, presents challenges now and in the future for both the military and the Department of Veterans Affairs to access, recruit, and retain qualified RNs necessary to provide effective health care to their respective beneficiaries.

Variables Impacting Recruiting and Retention:

The demands placed on nurses in today's military environment have had dramatic effects on the services' ability to recruit and retain a skilled nursing workforce. Junior officers are struggling to maintain balance between personal and work life as evidenced by a study conducted by Wong (2000). According to Wong, 21% of Captains surveyed in 1998 stated the Army allowed them to maintain a good balance in personal and work life compared to 47% in 1988. This opinion of "balance" has become more significant in today's high operational tempo (OPTEMPO). Information obtained from exit interviews of Army nurses who resigned during 2002-2004 reflect the following key issues related to their decision to leave active duty: quality of life, OPTEMPO, family issues, leadership, work environment, pay benefits, and career promotion (Gahol, 2005). In an effort to provide specific information to highlight critical elements and to guide the development of retention initiatives, the following is a rank ordered listing from the above survey:

- High likelihood of deployment
- Wanting more control over my life
- Desire to stabilize family in one geographical location
- Difficulty starting a family while on active duty
- Want to stay home with my children
- Separation from extended family (parents, grandparents, siblings, etc.)
- Difficulty being assigned with active duty spouse
- Schedule inequity between civilian and military personnel
- Poor management skills at the head nurse level
- No or limited opportunities to have input into my assignment
- Likelihood of assignment that excludes family

- Not enough RN staff to provide quality patient care
- Incompatibility with the military lifestyle

The pace of current military operations (multiple deployments) place enormous pressure on families left behind, as well as, profound stress on the military service member (Bender, 2004). Retention and recruitment are affected by this uncontrollable variable (the high OPTEMPO for the unforeseeable future). With this in mind, possibilities exist for service controlled initiatives focused on improving deployment rotation schedules, time on station requirements, and family support systems. Additional initiatives focused on leadership/mentorship of junior officers may be helpful.

The current operational environment also impacts the recruitment of new military nurses. The demands of service and personal sacrifice required in the military today are clear to prospective applicants. In addition, the services actually must recruit from a smaller applicant pool than the private sector, as they have regulatory limitations that restrict their ability to attract more experienced nurses. In effect, they can only recruit the entry level nurse. Rank, at recruitment, does not offer appropriate compensation for background experience and skills.

VHA Recruiting and Retention Successes:

This section outlines the components of the VHA registered nurse recruitment and retention initiatives, and describes the overall impact of these initiatives on recruitment and retention efforts in the VHA. A best practice is an activity or procedure that has produced outstanding results in another situation and could be adapted to improve effectiveness, efficiency, ecology, and/or innovativeness in another situation. In an effort to recruit and retain qualified registered nurses the Veterans Health Administration (VHA) makes use of several initiatives which fit this definition of "best practice". According to a summary report, the VHA has been effective in positively affecting recruitment and retention and addressing increasing competition for quality health care professionals. The VHA Health Care Staff Development and Retention Office conducted a National VHA Nurse Recruitment and Retention Study between December 16, 2003 and January 20, 2004. This study consisted of 18 focus groups, across the nation and including student nurses, private sector nurses, and VHA nurses, representing a cross section of ages, years of service, department and military backgrounds. Data from this study indicated that an attractor that nurses look for in an employer is continuing education; specifically, tuition reimbursement.

Bonuses, Accession, Retention, and Relocation Incentives

- The Veterans Administration has discretionary authority to make a lump-sum payment of up to 25 percent of basic pay to a newly appointed employee (in the case of a recruitment bonus) or to an employee who must relocate (in the case of a relocation bonus) to fill a position that would otherwise be difficult to fill. In return, the employee must sign a service agreement with the agency.
- A recruitment bonus may be used in combination with superior qualifications appointments. Recruitment and relocation bonuses must be paid in accordance with the agency's previously established recruitment and relocation bonus plans. Recruitment and relocation bonuses are subject to the aggregate limitation on total pay (Executive Level I). [5 U.S.C. 5753; 5 CFR part 575, subparts A and B]

Salaries

- The "Department of Veterans Affairs (VHA) Nurse Pay Act of 1990," established a locality pay system (LPS) covering Registered Nurses and Nurse Anesthetists. The purpose of the LPS is to ensure that pay rates at VHA facilities are sufficient to be competitive with those at local non-VHA health care facilities for the recruitment and retention of nurses and nurse anesthetists. Under the Act, officials of VHA medical centers throughout the country establish nurse pay schedules based on the results of local salary surveys.

Health Professionals Educational Assistance Program (HPEAP): The HPEAP is authorized under Title 38 U.S.C. Chapter 76. The two components of the HPEAP, the Employee Incentive Scholarship Program (EISP) and Education Debt Reduction Program (EDRP), are managed by the VHA Healthcare Retention & Recruitment Office (HRRO) and the purpose is to assist the VHA in ensuring that there is an adequate supply of trained health care personnel to meet VHA workforce needs.

- Overview of the Employee Incentive Scholarship Program (EISP)
  - Implemented in March 2000, EISP authorizes VHA to award scholarships to employees pursuing degrees or training in health care disciplines for which recruitment & retention of qualified personnel is difficult (title 38 and hybrid 38 occupations).
  - Awards cover tuition and related educational expenses.
  - VHA employees awarded scholarships through September 2005 totaled 4,743. These scholarships involve multi-year academic programs that in some cases extend into future academic years.
  - Most EISP scholarships have gone to upgrade the knowledge and skills of nurses or to prepare individuals to be qualified for nursing positions. There are a variety of programs designed specifically for the nursing occupations including a new program, VHA Nursing Education for Employees Program (VHANEEP) launched in FY 2004, which will pay VHA medical centers replacement salary for award recipients to allow them to accelerate degree completion by attending school full-time.
- Overview of the Education Debt Reduction Program (EDRP)
  - EDRP was implemented in May 2002 and authorizes VHA to provide education debt reduction payments to employees with qualifying student loans who are recently appointed to positions providing direct-patient care and ancillary care services. Registered nurses accounted for the largest number of awards followed by pharmacists and physicians.
  - In FY 2003 – FY 2005, VHA approved scholarships for employees to pursue academic training to become RNs or to obtain nursing degrees at the baccalaureate or post-baccalaureate levels. To date, VHA has committed $ 61.2 million in scholarship support to nursing education.

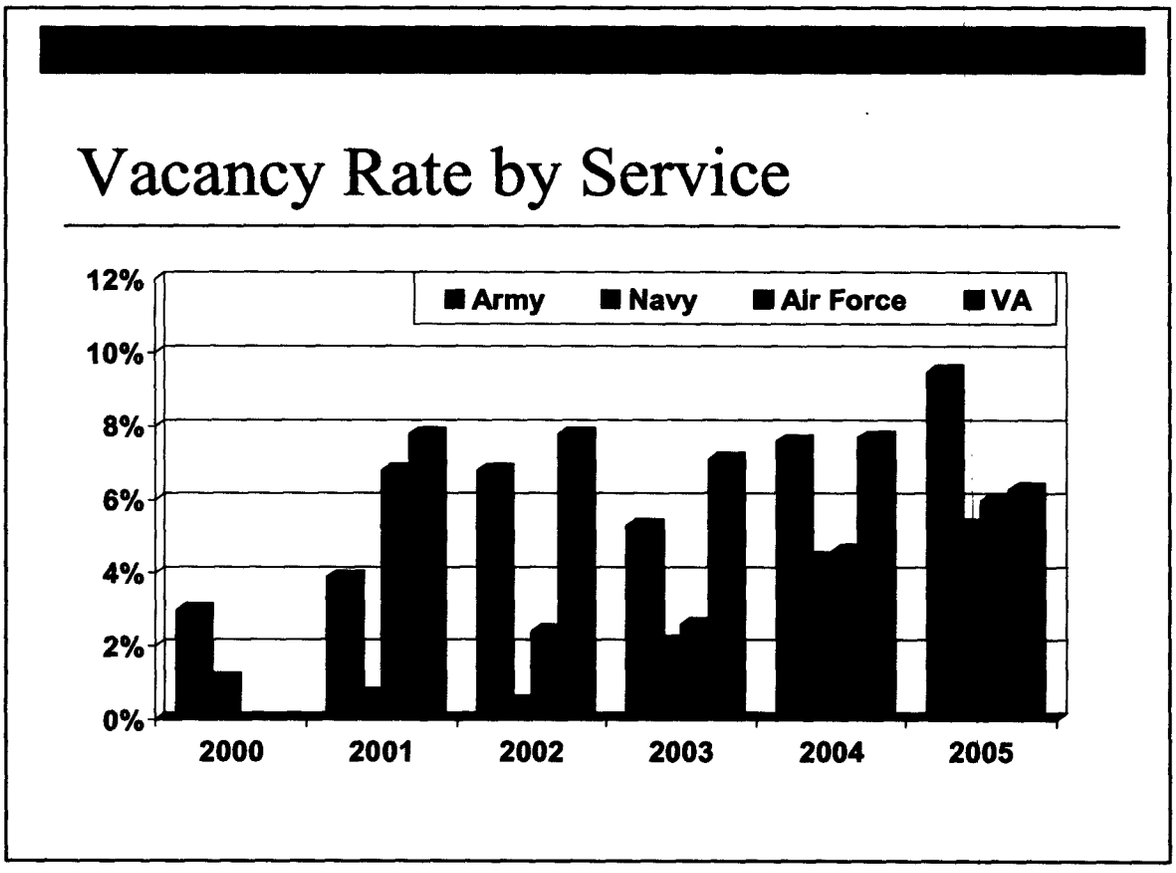
Accession bonuses, salaries, and other benefits offered by VHA positively affect recruitment and retention rates for nurses. Specifically, EISP and EDRP are recruitment and retention tools that help VHA health care facility officials address the increasing competition for quality health care

professionals. From June 2003 through June 2005 average turnover rates increased from 9.6% to 10.1% but vacancy rates decreased from 7.1% to 6.4%.

Data Review:

Billets Filled / Vacancy Rate

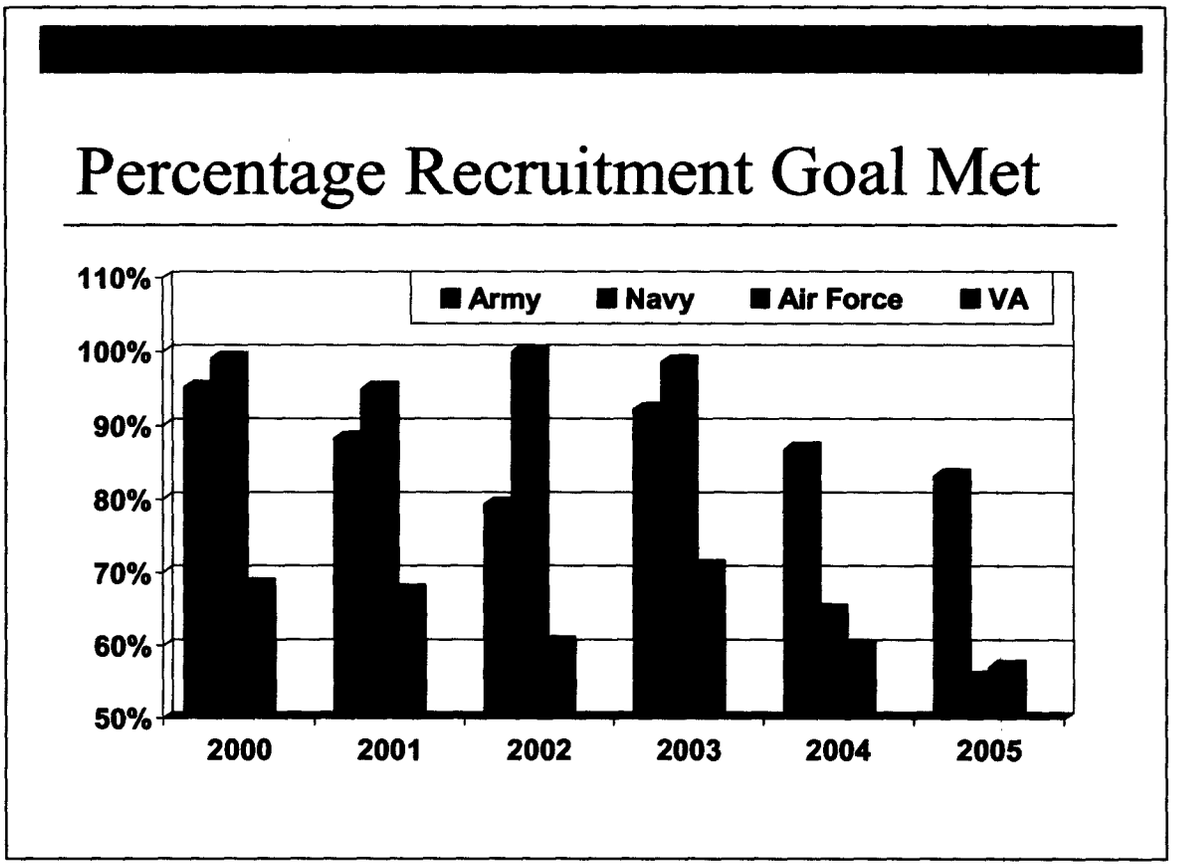
- The nursing shortage has impacted both the military and the civilian sector.
- From 2000 to 2005 the mean vacancy rate increased from 1.4% in FY 2000 to 7.0% in FY 2005
- The Air Force saw the most significant drop, going from a 4.8% overfill to a 6.0% vacancy rate (change of 10.8%)
- The Army had the largest overall vacancy rate in 2005 at 9.5%
- While the Navy and the Air Force have decreased their billets, the Army has actually increased its billets for RNs, potentially accounting for some of the difference
- The overall mean number of open billets for all three services has gone from 45 in FY2000 to 239 in FY 2005
- While this is a significant increase, it still is below the average vacancy rate of 10% reported by the civilian hospitals.



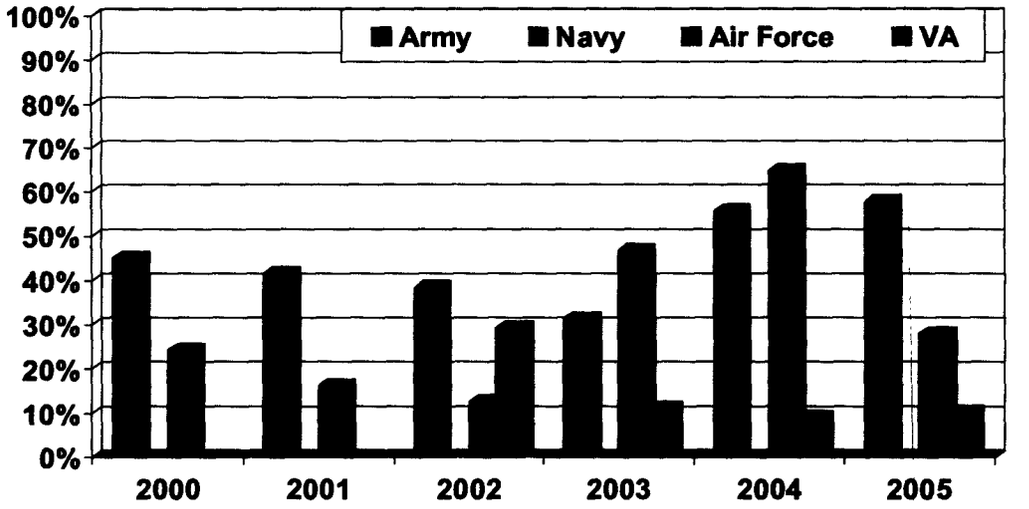
Recruitment of New Nurses

Recruitment was a major issue plaguing all three services. Despite recruitment goals that were consistently set lower than the numbers required to fill all available billets, the mean percentage of recruitment goals met dropped drastically from FY 2000 (87.5%) to FY 2005 (65.3%), with the drop starting in FY2004, right as the GWOT escalated.

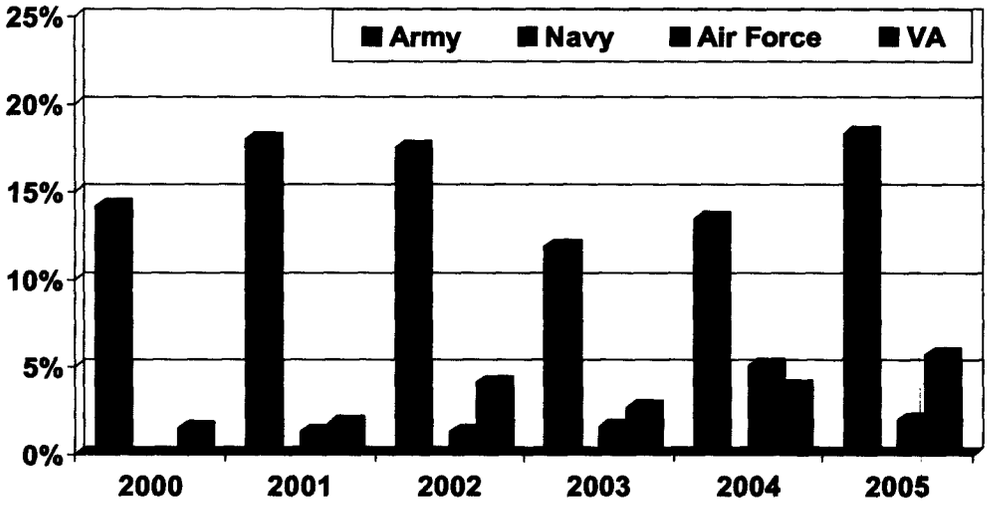
- New nurses taking advantage of debt reduction programs increased in both raw numbers and percentages of new accessions/hires
- Internal advancement programs showed little overall variation, but the agencies used this program to varying degrees with the Army having 18.3% of their accessions coming in this way in FY 2005 versus only 2.0% for the Air Force.
- Recruitment bonuses were consistent across military services but significantly higher at the VHA,
- In the last two years when the bonuses were increased from $5K to $10K (2004) and $15K (2005), recruitment actually showed its largest drop.
- Since this also coincides with the start of Operation Iraqi Freedom, it is difficult to ascertain if the bonuses were ineffective or if they actually prevented the nurse shortfall from becoming worse. However, the VHA consistently offered higher bonuses yet until 2005 had higher vacancy rates. This would lead to the conclusion that money alone is insufficient to spur on recruitment; however data is insufficient to make a definitive statement.



Percentage Recruited Who Used Debt Reduction Programs

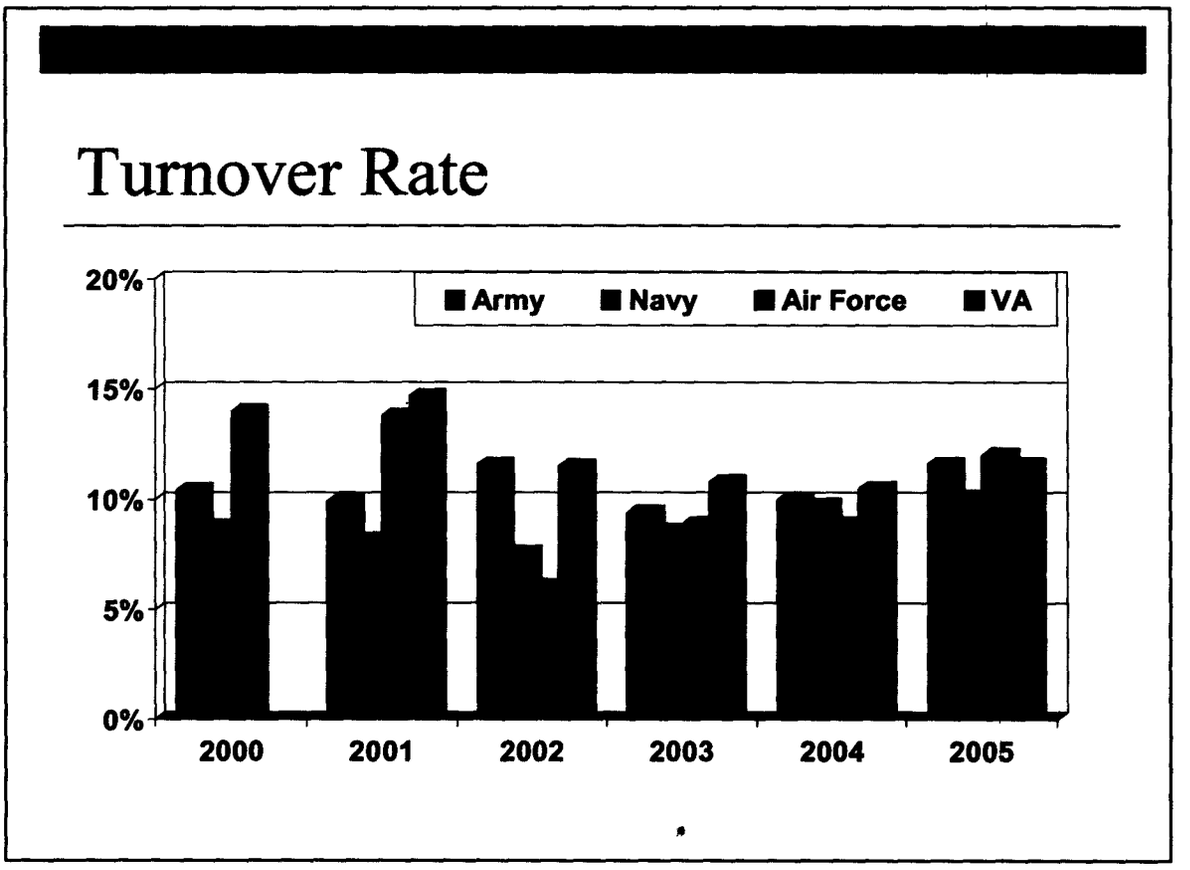


Percentage Recruited Who Used Internal Advancement Programs



Retention/Separation / Turnover

- The only true "retention" bonuses in the military are paid to Certified Nurse Anesthetists (CRNA's). These bonuses are based on sliding scales and increase with the length of contract signed. No service listed significant retention incentives for any other specialty, though it must be noted that the data provided by the services was neither consistent nor complete.
- Specialty pay is also offered by most services to target the hardest specialties to fill and those requiring advanced education. (i.e. Nurse Practitioners, nurse midwives). This incentive is paid without requiring a service commitment from the nurse.
- Only the VHA listed retention or incentive pay for the "average" staff nurse. All VHA nurses are eligible for up to a 25% retention bonus, regardless of specialty if they meet criteria.
- The separation/turnover rate was fairly stable over the time period reviewed. Although it dropped slightly from FY 2000 to FY2002, it rose again so that the mean turnover in FY 2000 and the mean turnover in FY 2005 are nearly identical (11.1 vs. 11.3)
- The overall turnover rates for the time period studied were Army-10.5%, Navy -8.8%, USAF-10.6%, and Veterans Administration – 11.8%.



Conclusions

The nursing personnel projections are unanimous and bleak: the shortage of qualified and experienced nurses will only grow worse in the coming years. Given the hardships of military and government service, the DoD and VHA can only project continued shortfalls in recruitment unless early and aggressive actions are instituted to bring in new nurses. The targeting of these actions will need to be done based on accurate, current, and unbiased data both from those who serve and those who choose not to serve. The strategies listed are a starting point, but recruitment will only be successful if the exact satisfiers and "dissatisfiers" of nurses can be correctly identified and precisely addressed. In order to remain competitive, the DoD and VHA must know their potential pool of applicants and attract them with benefits and incentives specific to their needs. The government is a unique employer, it must put forth a unique package to both attract the best and retain the best in government service.

Nursing Shortage Recommendations:

The working group evaluated the data submitted by the services and the VHA, statements delivered to the Senate Appropriations Committee, Subcommittee on Defense, by the Military Service Nursing Chiefs, documents prepared by the Center for Naval Analysis and a thesis prepared by a student attending U.S. Army Command and General Staff College. In addition, discussions were held with service/agency representatives. Based upon these data, the following are recommendations for future actions that have the potential to impact positively on military nurse recruiting and retention.

- Increase the discretionary authority for the services to offer up to 100K in recruitment bonuses based upon need.
    - Provide special compensation/incentives for nurses with experience and/or specialty skills in order to attract experienced nurses at an entry level rank.
- Provide statutory authority for specialty pay, execution at the discretion of the services, for nurses with specialty certifications that support the readiness or operational missions (e.g. critical care, perioperative, medical/surgical nursing specialties) as an initiative to support recruitment and retention.
- Increase opportunities for eligible enlisted service members to avail themselves of BSN education opportunities to improve nurse recruitment and offer enlisted service members and others an opportunity to further their careers in the service.
- Contract for nursing school slots with Schools of Nursing which would reserve space for qualified enlisted service members and military funded applicants who commit to entering active duty military upon graduation.
- Consider offering upper level BSN education at uniformed facilities. Two years of pre-requisite courses would be satisfactorily completed elsewhere followed by a final two years at an accredited military higher education facility.
- Create bridge opportunities for individuals with prior baccalaureate or higher degrees in other disciplines to earn a BSN or higher degree in nursing.

Service Considerations

- Increase recruiter visibility and efforts in targeted high schools. Discuss with interested students the opportunities available in military nursing and the financial assistance/ bonuses available for those who commit to service upon successful graduation from a BSN program.
    - Fully disclose expectations regarding military life, deployments, promotion opportunity, and lifestyle in an effort to attract the best individuals/the ones with the right fit.
- Address, where feasible, quality of life concerns of nurses.

(Although all services attempt to handle deployments reasonably based upon mission requirements, the perception of inequity and process dissatisfaction continues.)

    - Explore shortening the length of deployments.
    - Provide equity in frequency of deployments.
    - Allow for flexibility/input on the "timing" of the deployment.
    - Create a postpartum exemption from deployments for 1 year.
    - Stabilize nursing PCS assignment rotations - align with DOD directive authorizing longer time on station.
    - Provide more formalized training for middle managers.
    - Initiate mentorship programs for middle managers within facilities.
    - Ensure more equity between military and civilian nurses - incorporate on call and call-back time into military workload management system- building compensatory time for being on-call/call back into the military structure.
    - To the extent possible, set goals of equity for time in grade requirements for promotion across services.
- Encourage retiring MSN/PhD military nurses to become faculty in baccalaureate nursing schools to accommodate students seeking nursing careers, but who are on waiting lists.

The Department of Defense (DoD) and Army, Navy, and Air Force Services and Nurse Corps have already implemented many initiatives similar to those implemented by the VHA to increase rates of recruitment and retention. Even though quantitative data can provide specific information pertaining to changes in recruitment and retention rates, as they relate to initial baseline rates, quantitative data do not provide the information necessary to evaluate the "subjective" effectiveness and level of satisfaction with current DoD strategies.

Therefore, it is recommended that the DoD implement a TRI-SERVICE wide Focus Group study to: 1) determine the "subjective effectiveness of current recruitment and retention strategies; 2) evaluate the level of satisfaction with current strategies; 3) identify confounding variables which have not been addressed by current strategies; and 4) identify additional strategies that might be helpful in recruiting and retaining registered nurses in the military service.

In addition, focus groups made up of nurses who considered joining the military/VA but ultimately decided on a career in the private sector should be conducted. This measure would provide reasons why nursing candidates choose not to join the military/VA. This effort could also lead to marketing strategies to address false perceptions, as well as, targeted incentives to improve nurse recruitment.

Appendix A

Definitions of Terms for Data requested from the Services

RN Position Information	Definition
Billets Available	Total number of Active Duty RN billets authorized at the end of the fiscal year.
Billets Filled	Total number of Active Duty RN billets actually filled/manned at end of fiscal year.
Total RN's	Total number of Active Duty RN's within the service whether in RN or non-RN required billets at end of fiscal year.
Separated from service	Total number of Active Duty RN's that left the service during the fiscal year.
Recruitment Goal	Target number of Active Duty RN's to be recruited during the fiscal year as set at the beginning of the fiscal year.
Actual Recruitment	Total number of Active Duty RN's actually recruited during the fiscal year.
Benefit Variables	**Definition**
Salary	The average initial annual salary (base pay + housing) paid to a new Active Duty RN at end of fiscal year. (Note! This is the average per person, not the aggregate paid for all new RN's)
Accession/Recruitment Bonus	Maximum total bonus available to non-specialty new Active Duty RN at any time during the fiscal year. (Note! This is the maximum available per person, not the aggregate paid for all new RN's)
Education Debt Reduction	The total number of new Active Duty RN's who took advantage of any type of educational debt reduction, i.e. ROTC, school loan payoff, tuition reimbursement, or scholarship programs.
Internal Advancement Programs	The total number of new Active Duty RN's who were already within the service who took advantage of any type of program offered by the service/agency to advance to become an RN. (i.e. Enlisted Commissioning Program, Corpsman to RN, Green to Gold, etc.)
Retention Bonus	Number of RN specialties authorized to receive retention bonuses during the fiscal year.
Minimum Retention Bonus Amount	Lowest specialty bonus (in dollars) awarded during the fiscal year. (Note! This is the minimum paid per person, not the aggregate paid for all new RN's)
Maximum Retention Bonus Amount	Highest specialty bonus (in dollars) awarded during the fiscal year. (Note! This is the maximum paid per person, not the aggregate paid for all new RN's)

Appendix B

Raw Data Supplied Services/VHA

ARMY	Data by Fiscal Year					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
RN Position Information						
Billets Available (HMPDS AUTHS)	3381	3381	3400	3392	3415	3415
Billets Filled (HMPDS ASSN)	3280	3250	3170	3213	3157	3089
Total RN's (HMPDS ASSN)	3280	3250	3170	3213	3157	3089
Separated from service	341	322	369	301	317	359
Recruitment Goal	334	333	367	373	385	375
Actual Recruitment USAREC/HMPDS	318 (316)	288 (294)	291 (289)	323 (344)	334 (321)	312 (291)
Benefits						
Salary (O2/2) BP+BAS+BAH x 12	36,432	37,776	38,796	40,320	41,772	43,332
Accession Bonus	5,000	5,000	5,000	5,000	10,000	15K/4, 10K/3
Education Debt Reduction ROTC/LRP	143/0	122/0	112/0	108/0	131/55	134/46
Internal Advancement Programs AECP	45	53	51	41	45	57
Retention Bonus (CRNA ISP)	5K/15K	5K/15K	5K/15K	5K/15K	Sliding	See attached
Minimum Retention Bonus Amount	See attached	See attached	See attached	See attached	See attached	See attached
Maximum Retention Bonus Amount	See attached	See attached	See attached	See attached	See attached	See attached

INFORMATION PAPER

DASG-PTZ
8 June 2006

SUBJECT: Active Component Army Nurse Corps Special Pays

1. Purpose: To provide information on special pays for Active Component Army Nurse Corps.

2. Facts: The Army Nurse Corps offers the following special pays:

a. Certified Registered Nurse Anesthetist Incentive Special Pay (CRNA ISP) – all nurse anesthetists are eligible for $15,000/year for execution of a 1-year agreement. Nurse anesthetists who have 12 or fewer months remaining on their four-year CRNA training Active Duty Obligation (ADO) prior to the effective date of their agreement, are eligible to execute a 2, 3, or 4-year agreement (any ADO incurred as a result will run concurrently with the remaining training ADO). Multi-year rates:

$25,000/year for execution of a 2-year agreement, or
$35,000/year for execution of a 3-year agreement, or
$40,000/year for execution of a 4-year agreement.

b. Non-physician health care provider (NPHCP) board certification pay (BCP) – rates are paid on a monthly basis and include the following clinical specialties:

Nurse Anesthetist
Nurse Practitioner (Adult/Family, Pediatric, OB/GYN)
Psych Nurse
Nurse Midwife

Rates:

Less than 10 years of creditable service -	$166.66/mo, $2,000/yr
10 but less than 12 years of creditable service -	$208.33/mo, $2,500/yr
12 but less than 14 years of creditable service -	$250.00/mo, $3,000/yr
14 but less than 18 years of creditable service -	$333.33/mo, $5,000/yr
18 or more years of creditable service -	$416.66.mo, $5,000/yr

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Approved by: COL Bolton

NAVY	Data by Fiscal Year					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
RN Position Information						
Billets Available	3167	3169	3174	3176	3176	3098
Billets Filled	3132	3147	3157	3108	3036	2934
Total RN's	3132	3147	3157	3108	3036	2934
Separated from service	276	259	240	267	295	295
Recruitment Goal	110	100	90	73	91	99
Actual Recruitment	109	95	90	72	59	55
Benefits						
Salary	Per DOD Payscale	Per DOD Payscale	Per DOD Payscale	Per DOD Payscale	Per DOD Payscale	Per DOD Payscale
Accession Bonus	5K	5K	5K	5K	10K (JAN 04)	15K
Education Debt Reduction	83	158	190	177	170	160
Internal Advancement Programs	47	65	41	52	64	56
Retention Bonus	N/A	N/A	N/A	CRNA 10K/ PeriOp 8K	N/A	N/A
Minimum Retention Bonus Amount	N/A	N/A	N/A	CRNA 10K/ PeriOp 8K	N/A	N/A
Maximum Retention Bonus Amount	N/A	N/A	N/A	CRNA 10K/ PeriOp 8K	N/A	N/A

USAF	Data by Fiscal Year					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
RN Position Information						
Billets Available	3,862	3,984	3,962	3,792	3,861	3,757
Billets Filled	4,046	3,714	3,865	3,695	3,683	3,531
Total RN's	4,046	3,714	3,865	3,695	3,683	3,531
Separated from service	567	512	237	330	329	425
Recruitment Goal	300	338	383	363	394	350
Actual Recruitment	205	228	231	257	236	200
Benefits						
Salary	$29,779.20	$31,244.40	$32,533.20	$33,685.20	$34,923.60	$36,196.20
Accession Bonus	$5K lump-sum for 4 year commitment	$5K lump-sum for 4 year commitment	$5K lump-sum for 4 year commitment	$5K lump-sum for 4 year commitment	$10K lump-sum for 4 year commitment	$15K lump-sum for 4 year commitment
Education Debt Reduction	50 ROTC	37 ROTC	27 ROTC; 2 HPSP	118 Loan Repayment; 2 ROTC; 5 HPS	115 Loan Repayment; 36 ROTC; 2 HPSP	* note 23 Loan Repayment; 30 ROTC; 3 HPSP
Internal Advancement Programs	UNKNOWN	3 AECP	3 AECP	4 AECP	12 AECP	4 AECP
Retention Bonus	192	154	142	135	151	123
Minimum Retention Bonus Amount	$6K/yr for CRNAs with Ed & Trg Obligation	$6K/yr for CRNAs with Ed & Trg Obligation	$6K/yr for CRNAs with Ed & Trg Obligation	$6K/yr for CRNAs with Ed & Trg Obligation	$6K/yr for CRNAs with Ed & Trg Obligation	$6K/yr for CRNAs with Ed & Trg Obligation
Maximum Retention Bonus Amount	$15K/yr for CRNAS who have completed their Ed &Trg obligation	$15K/yr for CRNAS who have completed their Ed & Trg obligation	$15K/yr for CRNAS who have completed their Ed & Trg obligation	$15K/yr for CRNAS who have completed their Ed & Trg obligation	$20K/yr for CRNAs who have completed their Ed & Trg obligation and who sign a 2 year agreement	$25K/yr for CRNAs who have completed their Ed & Trg obligation and who sign a 3 year agreement

*Note: Limited Budget only allowed AFMS to offer 26 Loan Repayments in FY05

Assistant Secretary of Defense for Health Affairs
Congressionally Mandated Report on
VA RN Recruitment and Retention Information

Veterans Administration	Data by Fiscal Year					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
RN Position Information						
'ositions Available* [1] [see note a]	n/a	36,769	36,478	37,196	39,871	39,758
'ositions Filled* [1] [a]	n/a	33,907	33,618	34,570	36,816	37,249
'otal RN's [2] [b]	36,475	37,547	37,181	38,705	40,189	40,099
'eparated from agency [2]	5,378	4,984	3,875	3,724	3,853	4,312
'ecruitment Goal	No VHA-specific goals set; local facility goals may be established					
'ctual Recruitment [3] [c]	3,587	4,139	2,902	4,334	4,294	3,379
Benefits						
'alary [3] [c]	$ 43,239	$ 45,295	$ 47,517	$ 50,549	$ 52,449	$ 54,760
'ecruitment Bonus [4] [d]	Up to 25%	Up to 25%	Up to 25%	Up to 25%	Up to 25%	Up to 100%[d]
'ducation Debt Reduction [5]	n/a	n/a	847	484	385	345
'nternal Advancement Programs [6] [e]	53	75	118	117	168	191
'etention Bonus [f]	All RN staff and all specialties are eligible for retention bonuses					
'inimum Retention Bonus Amt [7] [f]	VHA authorizes RETENTION bonus payments up to 25% of base pay					
'aximum Retention Bonus Amt [7] [f]						

a=Not available: either data not tracked, program did not exist, etc.
'irst two items include CRNAs; remainder of analysis does not include CRNAs.

'otes/Data Proxies:
Authorized ceiling and filled positions reported for VHA health facilities' RN positions only. These numbers do not include positions located in Veterans Integrated Service Networks, VA Central Office, or special program offices.
# of employees does not include RN's in non-RN positions ("RN positions" are defined as those requiring knowledge, skills, and abilities of licensed RN). VA payroll system is unable to track employees who may independently maintain their licensure, yet not be assigned to an RN position. Data is reported for employees with the RN occupational code.
New hire RNs include all grades, from entry level (new graduates) to executive level (new to the VA system)
VHA authorizes RECRUITMENT bonus payments up to 100% of base pay for four year service agreements
reflect VA employees who are accepted, each FY, into a group of programs designed to advance employees into RN positions. These #'s reflect individuals who are not currently RNs, but are studying to be RNs, as well as LPNs studying to become RNs
VHA maintains annual, aggregated data by actual $$ paid per employee during each FY. However this data is not provided as it cannot accurately represent actual cumulative award value. i.e., employee may start receiving bonus on August 15th of the FY and bonus payment will appear unusually small.

RN Position Information	Definition
'ositions Available	Total number of VA RN positions authorized at the end of the fiscal year.
'ositions Filled	Total number of VA RN positions actually filled/manned at end of fiscal year.
'otal RN's	Total number of VA RN's within the agency, whether in RN or non-RN required positions, at end of fiscal year.
'eparated from 'gency	Total number of VA RN's that left the agency during the fiscal year.
'ecruitment Goal	Target number of VA RN's to be recruited during the fiscal year as set at the beginning of the fiscal year. (Note! 1.0 FTE = 1 RN)
'ctual Recruitment	Total number of VA RN's actually recruited during the fiscal year. (Note! 1.0 FTE = 1 RN)

Appendix C

Data Used for Calculations by Service and Overall

RN Position Information	US Army Nurse Corps					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Billets Available	3381	3381	3400	3392	3415	3415
Billets Filled	3280	3250	3170	3213	3157	3089
Total RN's	3280	3250	3170	3213	3157	3089
Separated from service	341	322	369	301	317	359
Recruitment Goal	334	333	367	373	385	375
Actual Recruitment	318	294	291	344	334	312
Benefit Information						
Salary	$36,432	$37,776	$38,796	$40,320	$41,772	$43,332
Accession Bonus	$5000	$5000	$5000	$5000	$10000	$15000
Education Debt Reduction	143	122	112	108	186	180
Internal Advancement Programs	45	53	51	41	45	57
Retention Bonus						
Minimum Retention Bonus Amount	$5000	$5000	$5000	$5000		$2000
Maximum Retention Bonus Amount	$15000	$15000	$15000	$15000		$42000

RN Position Information	US Navy Nurse Corps					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Billets Available	3167	3169	3174	3176	3176	3098
Billets Filled	3132	3147	3157	3108	3036	2934
Total RN's	3132	3147	3157	3108	3036	2934
Separated from service	276	259	240	267	295	295
Recruitment Goal	110	100	90	73	91	99
Actual Recruitment	109	95	90	72	59	55
Benefit Information						
Salary						
Accession Bonus	$5000	$5000	$5000	$5000	$10000	$15000
Education Debt Reduction	83	158	190	177	170	160
Internal Advancement Programs	47	65	41	52	64	56
Retention Bonus						
Minimum Retention Bonus Amount				$8000		
Maximum Retention Bonus Amount				$10000		

RN Position Information	US Air Force Nurse Corps					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Billets Available	3,862	3,984	3,962	3,792	3,861	3,757
Billets Filled	4,046	3,714	3,865	3,695	3,683	3,531
Total RN's	4,046	3,714	3,865	3,695	3,683	3,531
Separated from service	567	512	237	330	329	425
Recruitment Goal	300	338	383	363	394	350
Actual Recruitment	205	228	231	257	236	200
Benefit Information						
Salary	$29,779	$31,244	$32,685	$33,685	$34,924	$36,196
Accession Bonus	$5000	$5000	$5000	$5000	$10000	$15000
Education Debt Reduction	50	37	29	120	153	56
Internal Advancement Programs		3	3	4	12	4
Retention Bonus	192	154	142	135	151	123
Minimum Retention Bonus Amount	$6000	$6000	$6000	$6000	$6000	$6000
Maximum Retention Bonus Amount	$15000	$15000	$15000	$15000	$20000	$25000

RN Position Information	Veterans Administration					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Billets Available		36769	36478	37196	39871	39758
Billets Filled		33907	33616	34570	36816	37249
Total RN's	36475	37547	37181	38705	40189	40099
Separated from service	5378	4984	3875	3724	3853	4312
Recruitment Goal						
Actual Recruitment	3587	4139	2902	4334	4294	3379
Benefit Information						
Salary	$43,239	$45,295	$47,517	$50,549	$52,449	$54,760
Accession Bonus	$10,810	$11,324	$11,879	$12,637	$13,112	$54,760
Education Debt Reduction			847	484	385	345
Internal Advancement Programs	53	75	118	117	168	191
Retention Bonus						
Minimum Retention Bonus Amount						
Maximum Retention Bonus Amount	$10,810	$11,324	$11,879	$12,637	$13,112	$13,690

RN Position Information	Overall Mean - All					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Billets Available	3,470	11,826	11,754	11,889	12,581	12,507
Billets Filled	3,486	11,005	10,952	11,147	11,673	11,701
Total RN's	11,733	11,915	11,843	12,180	12,516	12,413
Separated from service	1,641	1,519	1,180	1,156	1,199	1,348
Recruitment Goal	248	257	280	270	290	275
Actual Recruitment	1,055	1,189	879	1,252	1,231	987
Benefit Information						
Salary	$36,483	$38,105	$39,666	$41,518	$43,048	$44,763
Accession Bonus	$6,452	$6,581	$6,720	$6,909	$10,778	$24,940
Education Debt Reduction	92	106	295	222	224	185
Internal Advancement Programs	48	49	53	54	72	77
Retention Bonus	192	154	142	135	151	123
Minimum Retention Bonus Amount	$5,500	$5,500	$5,500	$6,333	$6,000	$4,000
Maximum Retention Bonus Amount	$13,603	$13,775	$13,960	$13,159	$16,556	$26,897