

## **POLICY BRIEF**

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# VHA Primary Care Physician Salary and Time to Fill

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#### **Bottom Line Up Front**

Hiring physicians in the Veterans Health Administration (VHA) can be challenging due to salary constraints, regulatory and human resources process hurdles, and other factors. Given VHA's goals to improve access to care for Veterans, it is critical to understand the relationship between physician pay and timely hiring. The Partnered Evidence-based Policy Resource Center (PEPReC) evaluated the relationship between VHA primary care physician (PCP) base salary and Time to Fill (TTF), defined as the number of days between when a position becomes vacant (or is created) and when it is filled. Findings indicated a significant, negative association between base salary and TTF for VHA PCPs.

#### Introduction

The United States is facing a physician shortage, worsened by an aging population, an aging physician workforce, and the lingering effects of the COVID-19 pandemic.<sup>1-3</sup> This shortage presents particular challenges for the Veterans Health Administration (VHA), which provides care to over nine million Veterans.<sup>4</sup> Last year, 45 percent of surveyed VHA facilities reported severe physician shortages in primary care.<sup>5</sup>

Hiring physicians within VHA is complex due to salary limitations, regulatory processes, and other constraints. <sup>6-7</sup> VHA salaries are thought to be one of the most significant contributors to this challenge, as they are often seen as less competitive than the private sector. <sup>8</sup> Certain pay ranges and salary caps may limit VHA's recruitment and hiring efforts, though legislation to increase these caps is pending. <sup>9-10</sup> As VHA aims to improve access to care through faster, more competitive hiring, understanding the relationship between physician base salary and timely hiring is essential.

#### PEPReC's Evaluation

The Partnered Evidence-based Policy Resource Center (PEPReC) evaluated the relationship between VHA primary care physician (PCP) base salary and time to fill (TTF) for VHA PCP open positions from January 2020 to December 2023.

#### Data Sources & Variables

TTF was defined as the number of days between when a position becomes vacant and when it is filled. 11 TTF data was obtained from the Office of Workforce Management and Consulting. For this analysis, TTF was assessed at two thresholds (greater than 180 days and greater than 60 days).

Base salary was defined as the fixed amount of money a physician earns every year in exchange for their work, excluding bonuses or additional compensation. Salary data for PCPs were extracted from

Time to Fill (TTF)

The number of days between when a position becomes vacant and when it is successfully filled.

the Personnel and Accounting Integrated Data System (PAID).<sup>12</sup> These data were grouped by physician specialty and presented in terms of thousands of dollars per pay period (two weeks) per provider.

Figure 1 displays the observed association between PCP base salary and TTF. Specifically, as PCP base salary increased, the percentage of positions open for more than 180 days decreased. This correlation, observed across various facilities, served as the foundation for the analysis presented below.

Figure 1: Time To Fill VHA PCP Open Positions vs. PCP Base Salary (2020-2023)

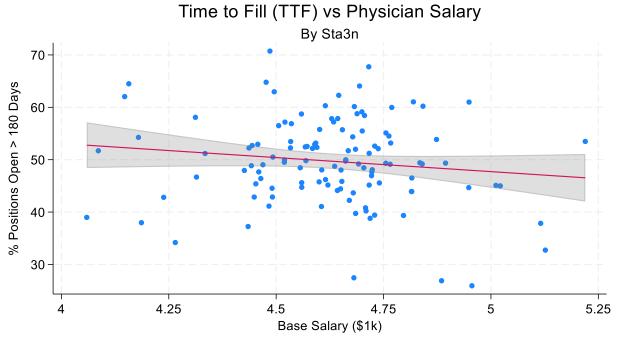


Figure 1 is a scatterplot displaying blue dots for individual facilities and a red trendline indicating the correlation between facilities' TTF and PCPs' base salaries. The gray area is a 95% confidence interval around the red trendline.

#### Methodology

Linear regression models were used to assess the relationship between base salary and TTF for VHA PCP positions. Sensitivity analyses were conducted to ensure accuracy, excluding low-volume and outlier facilities and providers.

#### Results

A significant negative association was observed between PCP base salary and TTF for open positions. For every \$1,000 increase in base salary, there was a 13.2 percent decrease in the overall percentage of positions open for more than 180 days. When the TTF threshold was reduced to 60 days, the results remained significant, with a reduction of 7.3 percent.



#### Visualizing Results

To demonstrate the usefulness of PEPReC's model, we studied the eight VHA facilities with the highest percent of open PCP positions past 180 days and the additional base salary that would be required at each facility to bring its percentage of open positions down to the national average (49.9%). Analyses showed that, to do so, VHA would need to offer an additional \$917 to \$1573 per pay period, depending on the facility.

Figure 2: Top Eight Facilities and Estimated Base Salary Adjustments for PCPs

		Additional Salary Needed to Meet National Mean	
Facility	% Open Positions > 180 Days	Per Pay Period	Per Year
1	62.0	\$917	\$23,855
2	62.3	\$936	\$24,328
3	63.0	\$987	\$25,655
4	64.1	\$1,070	\$27,818
5	64.5	\$1,102	\$28,663
6	64.8	\$1,124	\$29,230
7	67.7	\$1,347	\$35,028
8	70.7	\$1,573	\$40,905

Figure 2 reflects the eight facilities with the highest percentage of VHA PCP positions open for more than 180 days and the additional salary per pay period (two weeks) necessary to bring the facilities' percentages of open positions down to the national average (49.9%).

#### **Limitations**

PEPReC's findings should be interpreted as roughly causal because of the confounding relationship between salary and TTF—higher physician salaries may reflect hiring difficulties, despite base salaries being set through complex, inflexible regulatory processes. Additionally, due to a lack of reliable physician salary data in position postings, PEPReC inferred pay ranges from PAID data, which may not fully capture the intended salary offerings for open positions.

#### Policy Implications & Relevance

Despite the data limitations noted above, PEPReC's analyses can inform VHA leadership in several ways.

- **Estimating Necessary Salary Increases:** These analyses provide a framework for facilities to determine the necessary base salary adjustments to achieve national TTF benchmarks, helping reduce TTF rates and improve staffing efficiency.
- Evidence for Salary Flexibility: This work can help provide more insight and transparency on physician salaries across VHA. The results also support more adaptable VHA salary structures, showing that increased salary flexibility may help facilities stay competitive in recruiting and retaining PCPs in high-need areas.
- Cost Analysis for Care Delivery Options: Beyond direct salary adjustments, this work can
  facilitate comparisons between care delivery options (e.g., hiring in-person or virtual providers;
  using in-house VHA care or community care). TTF reflects the ease of hiring, so VHA leadership
  can use PEPReC's analyses to make informed decisions on resource allocation, including in
  different geographical areas and specialties.

#### Conclusion

This evaluation provides insights into the relationship between physician base salary and timely hiring, suggesting that higher base pay could reduce TTF for open PCP positions. To optimize compensation, market pay and incentive mechanisms should continue to be considered alongside base pay adjustments. PEPReC's analyses offer a valuable tool for VHA leaders and stakeholders to assess potential compensation changes and resource allocations to minimize care access gaps. Further analysis could focus on specialty-specific recruitment challenges to more precisely tailor recommendations.

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### **ABOUT PEPREC POLICY BRIEFS**

This evidence-based policy brief is written by Partnered Evidence-based Policy Resource Center (PEPReC) staff to inform policymakers and Veterans Health Administration (VHA) managers about the evidence regarding important developments in the broader health system and economy. PEPReC is a Quality Enhancement Research Initiative-funded resource center that collaborates with operational partners to design and execute randomized evaluations of VHA initiatives, develops and refines performance metrics, and writes evidence-based policy briefs.





