

**STATEMENT OF
MICHAEL S. SIMBERKOFF, M.D.
CHIEF OF STAFF OF VA NEW YORK HARBOR
HEALTHCARE SYSTEM
(NYHHS)
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON HEALTH
U. S. HOUSE OF REPRESENTATIVES**

October 21, 2003

Mr. Chairman, thank you for allowing me to testify in support of the Department of Veterans Affairs Health Care Personnel Enhancement Act of 2003 on behalf of my colleagues in VISN-3. It is my opinion that passage of this bill is essential to help us recruit and retain qualified physicians needed to care for veterans in our facilities. Please allow me to support this statement by providing you with some background and concrete examples of why we need this bill.

As you may know, I am the Chief of Staff of VA New York Harbor Healthcare System (NYHHS). NYHHS was formed by the merger of the Brooklyn and New York VA Medical Centers (VAMCs) in 1999. We care for approximately 60,000 unique veterans each year and operate ambulatory, acute and tertiary care facilities at our Brooklyn campus in the Bay Ridge section of Brooklyn, adjacent to Fort Hamilton; ambulatory acute, acute and tertiary care facilities at our Manhattan campus on East 23rd Street; and ambulatory, long-term, and a Domiciliary unit at our St. Albans campus in Queens. We also operate community-based outpatient clinics in four of the five boroughs (counties) of New York City including a rapidly expanding one that is soon to be relocated in Staten Island (Richmond County).

VA NYHHS currently has critical shortages and is experiencing great difficulty in recruiting qualified physicians to care for veteran patients in several medical specialties including anesthesiology, diagnostic radiology, and interventional radiology. Because VA's salary structure for specialty physicians is non-competitive, we already have a contract to provide radiation oncology, diagnostic and interventional radiology services at our Brooklyn campus. It is likely that we will be forced to enter into a similar contract for diagnostic and interventional radiology services at Manhattan. We plan to enter into a contract to provide

critical care medicine/intensivist care for our SICU in Manhattan, as per Leapfrog Group's standards for patient safety. In addition, we will need to find a new Chief, Neurosurgery and additional cardiac surgeons in the very near future. It is likely that we will be forced to enter into a contract for these specialty physicians as well.

Under existing regulations, compensation for physicians and dentists is computed from a combination of basic and special pay rates. The basic pay rate for most physicians is fixed at approximately \$110,700. Special pay rates include components for full-time status, Board Certification, years in government service, scarce specialty pay, geographic locality pay, and exceptional qualifications (the latter requires approval by VACO).

At present, the maximum salary that VA NYHHS can offer a diagnostic or therapeutic radiologist is \$169,000.00. At our affiliates, these physicians earn \$275,000 to \$325,000. Anesthesiologists at VA NYHHS can be offered approximately \$160,000, while at the affiliates they earn well over \$300,000.00. Critical care medicine/intensivists can be offered approximately \$140,000 at VA NYHHS but are paid \$280,000 at our affiliates. A fulltime neurosurgeon would be paid \$160,000 at our facility while, even as an assistant professor, would earn over \$340,000 at the affiliate. A fulltime cardiac surgeon would earn \$162,000 at NYHHS and between \$350,000 and \$450,000 at the affiliates.

The only means that we have available to hire highly qualified scarce specialists is through contracts. These are expensive and, in many ways, destructive. Contract physicians are employees of the contractor. Their loyalty is to their employer, not to NYHHS.

The proposed legislation should do much to reduce the differences in pay between VA and non-Departmental physicians that currently exists. By establishing a higher band for minimum base pay, indexing market pay to salaries outside of the Department based on geographic area, specialty, assignment, personal qualifications and individual experience, and establishing an option for up to \$10,000 annual performance pay, we can compete for and retain quality physicians in scarce specialties and establish a culture that ensures constantly improving service for our patients.