Chapter 5
Military and Government Practice

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Introduction

Considering a career in government service as a physician is another possible career path one that can be rewarding and satisfying for different reasons including fulfilling a sense of patriotism. The options are joining the military on Active Duty service or becoming a Government Service (GS) employee and working in a Veterans Administration (VA) hospital or a military treatment facility (MTF) as a civilian. There are many advantages and disadvantages between both options when compared to a civilian practice. This chapter will discuss the aspects of joining and leaving government service. The purpose of this chapter is to help guide the surgeon into government service and into the civilian sector once their government service is over.

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Working on Active Duty

Most physicians who work on Active Duty do so because they used a military scholarship to pay for medical school, the Health Professionals Scholarship Program (HPSP), or by attending the military's medical school at the Uniformed Services University of the Health Sciences (USUHS). Some may have incurred time due to a scholarship to pay for undergraduate school, the Reserved Officer Training Corps (ROTC) scholarship, or they attended one of the service academies like the United States Military Academy at West Point. For those who have chosen this path, there are few military requirements during medical school. One is to attend the Officer Basic Course for Medical Corps officers, which typically occurs between the 1st and 2nd years of medical school. It is a 6-week course and one is considered on temporary Active Duty for the course, consequently travel, lodging, and a salary are paid for by the Department of Defense (DOD). So it's like having a summer job. The second requirement is that two of the fourth year electives have to be done at a MTF, which most medical students use as an extended interview. They typically choose electives based on where they would like to attend residency.

Those persons who have a military obligation through HPSP, ROTC, USUHS, or from attending a service academy are required to apply for residency in a military residency program. There is a match process for this process, which is similar to the civilian match system [1]. Payback for the scholarship would not start until once residency is finished; but during residency, they would be considered on Active Duty and this time does count towards retirement. So if one did a 6-year residency, they would need 14 more years on Active Duty to be eligible for the retirement benefits. During this time, in addition to earning basic pay that is based on one's rank, they will also earn a Basic Allowance for Housing (BAH) and Basic Allowance for Sustenance (BAS). Some may also earn a Cost of Living Allowance (COLA) based on where the residency is located. Except for basic pay, all of

these are tax-free and they can increase with rank and the number of dependents (spouse and children). Additionally, they will be eligible for medical and dental care. All of this means, military residents will earn more money than their civilian counterparts.

US citizens also have the option to join Active Duty once their residency is complete and they are eligible for board certification. Here, there is no obligation incurred other than the initial contract one signs to join the military. Those who choose this option will have to attend Officer Basic Course immediately after they enter Active Duty so they can become accustomed to military regulations, like how to wear the uniform properly, and protocol, like how and when to salute. There are a few bonuses that one is eligible for after joining. The Active Duty Health Professions Loan Repayment Program gives the recipient $120 K and the Health Professions Special Pay gives $75 K. A bonus will typically require one to owe more years of service. Their residency does not count towards retirement.

Regardless of how one enters into the military, after residency and the Officer Basic Course have been completed, military physicians will be assigned to a duty station. This placement is based on the needs of the military. While one can submit a wish list, there is no guarantee they will be assigned their desired location. The decision is based on the needs of the military and can be greatly influenced by someone who is not even a physician. So if one wanted to only do advanced laparoscopic foregut cases after finishing residency, for instance, they may be assigned to a remote base where there is not much need for that kind of service or the MTF is not equipped for that type of surgery. This may also affect one's spouse too, as they may have to change the location of their job. The physician should be aware again that he or she may not have much choice regarding this.

After residency has been completed, one will have achieved the rank of an O-3 or O-4, which currently has a basic pay salary of about $47,000–53,400. This will increase every 2 years while on Active Duty. The DOD always pays for relo-

Table 5.1 Starting salary for O-3–O-4[a]

Type of pay	O-3–O-4 amount annually ($)
Basic pay	47,000–53,400
Basic allowance for housing	12,300–17,700
Basic allowance for sustenance	3000
Variable specialty pay	5000–12,000
Medical additional special pay	15,000
Board certification pay	2400–6000
Incentive specialty pay	20,000–36,000
Total	**$104,700–143,100.00**

[a]O-3 is a Captain in the Army and Air Force and a Lieutenant in the Navy. O-4 is a Major in the Army and Air Force and a Lieutenant Commander in the Navy

cation while on Active Duty whether one graduated from West Point and attended USUHS or one just joined the military. The cost of taking board examinations will also be covered. Additionally they will be eligible for more pay and bonuses. Physicians will annually receive Medical Additional Special Pay (MASP), which is a yearly lump sum of $15 K and Variable Special Pay (VSP), which is about $5–12 K annually. Once they become board certified, they will qualify for Board Certified Pay (BCP), about $2.4–6 K annually, and Incentive Specialty Pay (ISP), which is up to $36 K annually depending on the specialty. They will still earn the aforementioned tax-free BAH, BAS, and COLA. All told, the military surgeon will make a salary ranging about $105,000–143,000. This is likely to be quite a bit less than those in the civilian environment where the average starting salary is $226,000 [2] (see Table 5.1).

The latter salary does not, however, take into account taxes, overhead costs, medical school loan payback, and liability insurance. The taxable income for military physicians will be less than that of civilian ones and government physicians do not pay liability insurance. When claims of medical malpractice are made, the claim goes against the US government and any payout is made by the US government. The physician is only listed as a witness and the court rules on whether or

not the US government is liable. The physician can still be found to have not met the standard of care in malpractice cases, but this is not determined by the court. As such, the physician can still be placed in the National Practitioner's Databank.

There is no overhead cost for government doctors to practice. As mentioned before, medical and dental benefits are free for the service member and his or her dependents. Also, as a military service member, one is eligible for a VA home loan meaning a new home can be purchased, up to a certain limit depending on the area of the country, without a down payment, though there is about a 1% VA funding fee. This tends to make these salaries closer but it is also specialty and location dependent. For the pediatricians and primary care providers, the guaranteed money in the military may be substantially more than that in the civilian sector. Conversely, a surgeon in a smaller, low cost-of-living community will likely make a lot more money than the military surgeon.

Another advantage of all government service is that pay is not dependent on productivity. So the lifestyle may not be as demanding as it is in the private sector. There are federal holidays to honor and all military employees get 30 days of paid leave every year.

The disadvantages, though, are prevalent. The biggest one is deployments. Unfortunately these are unpredictable and since general surgeons are the experts in trauma surgery, they are the most deployed of all the medical specialties. It is an honor to serve on deployments; but there is no doubt that it is a significant interruption in one's surgical practice. A recent graduate can expect to deploy within 1 year of finishing his or her residency and then every 2 years thereafter for as long as there is conflict in which the United States has troops deployed. Aside from being apart from their family, there is a risk of dying in combat albeit relatively small. Three surgeons have died in combat since the wars in Afghanistan and Iraq started in 2001. Even in the quietest of deployments to the combat zone, most surgeons have experienced indirect if not direct fire. Additionally, one may still feel the strain of the deployment even if one has not been selected to go. The providers

left behind will have to cover the work of the one who has deployed, which often means more call and more administrative tasking.

After the deployment has been served, reintegration back into regular practice can be problematic. The first few complex laparoscopic cases or complex breast cancer case may cause a lot of anxiety after spending 6 months in the desert doing only a few trauma cases. It is best to have a more senior surgeon assist with those cases and those decision-making processes. If one is not available in the MTF, often times, the local civilian hospital may have an agreement in place to assist with this. Surgical societies like the American College of Surgeons (ACS) and the Society of American Gastrointestinal and Endoscopic Surgeons (SAGES) have recognized this issue, and have begun implementing programs to have a mentor, within the nearby civilian community, available to the MTFs. In rare cases, the new residency graduate may have to draft a memorandum that outlines the working and legal relationship between the two hospitals that allows such a relationship.

While on Active Duty, those who would like to pursue an academic career have to do so on their free time. There are fewer resources to complete studies and no administrative help. Additionally there is no extra incentive to publish. Being a Professor of Surgery in the military does not afford one any more pay or status within the military.

Another issue will be the administrative load. At least some of the workweek will be dedicated to completing the many administrative tasks of the military. Having a leadership position has its advantages and disadvantages. While it is nice to have the title for one's resume, often times these positions will be assumed with one having very little management experience or operational knowledge. There are a lot of personnel, supply, and management decisions that need attention in order to run a clinic. This, of course, adds to the administrative work, detracts from one's clinical time, and does not incur a pay raise. At a time when the young surgeon is supposed to grow from being competent to proficient, a

leadership position may halt or delay that progression. It is imperative, therefore, for the young surgeon to recognize when his or her clinical skills are waning. Those who plan to stay 20 years and desire promotion will need to take the Captain's Career Course and the Intermediate Level Education Course, both of which will take a physician away from their practice for several months. It should also be noted that if one has aspirations of becoming a Flag Officer (a General or an Admiral) then they will have to abandon clinical practice altogether after about 10–12 years of service to assume administrative and operational commands. It is distinct success in the leadership and command positions that will get one promoted to the highest level. Academic achievement and publication success will have little to no influence on promotion.

Finally, the clinician will not be her own boss. In addition to events like the semiannual physical fitness tests, there will be a lot of mandatory military training like how to react in case of a chemical and biological weapons attack or cyber security classes. Failure to complete these tasks may result in a negative credentialing action against the provider. Also, funding for Continuing Medical Education (CME) is very limited for military physicians and many end up of paying for keeping up their education out of their own pocket. This can be very frustrating for one who has deployed for 6 months and then attended a military course for another 4 months.

If one plans to serve for more than 3 years in the military, likely they will be reassigned to another duty station. While there is a consultant, who is a physician in their specialty, for each medical specialty to help decide duty assignments, the Human Resources Command (HRC) will have a lot of influence on where the next assignment occurs. Again the HRC will have the military's best interest in mind not the physician's, and thus, someone who is not even a physician or a clinician may make the surgeon's life-altering decision. It will not be uncommon to encounter a physician who was moved abruptly and against their desires, often times at hardship to their family or to the detriment of the practice they have

built, and despite a senior rank, a sterling academic resume, and a unique surgical skill set. It goes without saying that such a decision can be very disheartening for the military physician.

Most persons who incur a military obligation through the scholarship programs will be accustomed to these aspects of military life so hopefully; this won't be a surprise to these surgeons. Still it is a lot to consider when making a decision after residency is complete and a very difficult one to make when one is deciding on how to pay for medical school. The work can be very rewarding as providing trauma care on soldiers who have been injured in battle is much different than operating on someone who was drunk and got into a bar fight. Additionally after 20 years of service, the retirement plan would pay an annuity that increases with inflation for each year of their life after they leave military service on top of whatever job they took until finally deciding to stop working altogether. The finances of the pension will be discussed later in more detail.

Working as a Government Service Employee or Veterans Administration Employee

As a GS employee, a physician would be taking care of active duty service members, dependents, and retirees in an MTF. Those who opt for the VA healthcare system would be caring for retirees and those service members whose medical illness was due to their military duty. The main advantages to joining are similar to that of joining the military: steady income not entirely based on production, less pressure to produce, no overhead including liability insurance, a better lifestyle, and for some, the opportunity to fulfill their patriotic sense of duty. Not everyone can serve on Active Duty and deploy to care for military members, joining as a government worker allows them to still serve their country.

The VA and GS employee salaries are based on a given grade level and each grade has ten steps. The grade is based on the scope, complexity, and work performed on a range

from 1 to 15 with the higher numbers being more complex. Within the grade, there are ten steps with each step corresponding to an increase in salary of about 3%. A board of physicians within the VA determines this and most physicians will eventually qualify for the tenth step. Upon entering the VA system, though, a physician is started at a GS-15 grade, step 1. Some physicians that are highly specialized or who have previous time in the government will start at a higher step. In addition to this base salary, there is a locality pay which is additional pay based on percentage of the salary decided by location. The percentage in 2016 will range from about 14–35%. A general surgeon who is a GS-15, step 10 will make a base salary of about $132,000. With the addition of locality pay of an additional $18,500–46,200, this would be about $150,000–178,000 [3]. The VA does have a 1-year probationary period, so that if things are not working out, the employee can be released or opt out of service.

Further salary is then based on market pay and performance pay. The market pay is simply what the need of the VA system is based on recruitment and retention of physicians in the same field. Market pay is highly variable and can be substantial to make the salary more attractive to surgeons. Performance pay is intended to reward the achievement of goals and objectives that are set forth by an annual appraisal. Like the military, there will be a regular pay raise as more years of service are completed. In the end, the salary for a VA general surgeon can range from about $150,000–$355,000 based on years of service, location, and market value [4].

The GS employee enjoys the similar military benefits in that liability insurance and overhead costs are not needed. Unlike Active Duty surgeons, medical and dental benefits are not free but coverage is provided. GS employees have the option of not taking this coverage. Every 2 weeks of work earns one day of leave, so he or she is eligible for 26 days of leave per year. There are also loan repayment and retention programs that would obligate the surgeon to more years of service. One advantage GS employment has over Active Duty service is that one can choose where they would like to work and there is no requirement to move every 3 years.

The disadvantage of GS employment is also similar to that of the military. While one won't be required to move every 2–3 years or be deployed, one will not likely be their own boss. There will be administrative tasks, nonclinical requirements, and non-clinicians dictating the practice. Ultimately, the individual would have to decide how important this is to him or her. Another issue with the VA system and to a certain extent in the military system is availability of services to the beneficiaries. Not every town has a VA hospital and thus eligible patients may have to travel long distances for fairly routine services like a laparoscopic cholecystectomy. This can be frustrating to both the patient and the providers. Additionally if certain services are not available at the VA, like a gastroenterologist who does endoscopic ultrasound, this may have to be referred to another provider, which may significantly delay the process until definitive care can be done [5]. Finally and anecdotally, there exists the stigma that there are physicians in the government systems that are just there to collect a paycheck until they are eligible for a pension. Since their work is not based on efficiency or productivity and they have seniority or perhaps, even a leadership position, he or she may not be the best clinician to have as a partner. There is no documentation of this, of course, and there is no reason to believe that it is widespread. When provider tenure is not based on productivity, this can be a natural sequel. It should be noted, however, that there are several studies that report good quality outcomes in the VA system [6].

Overall, whether one joins the military or becomes a GS employee, the quality of life may be more comfortable with reliable pay. The type of patients one serves may be more rewarding but the overall job satisfaction may be lower. Military life also has the added issues of deployment, frequent moves, frequent changes in leadership and leadership policies, and increased administrative requirements. In the end, though, there will still be of opportunities to practice surgery and develop into a good clinician.

Leaving Government Service

Leaving government service to start work in the civilian world is quite different than graduating from residency or changing jobs early in one's career. For one thing, most of these surgeons have been practicing for several years, are board certified, and even held a position of leadership. They are typically at a different stage in life, perhaps with a mortgage or with children who are ready to start high school or college. At the same time, GS employees have not typically had to follow the same metrics and standards that civilian surgeons have had to regarding reimbursement, productivity, and overhead cost. Moreover, they have not had to be concern with the cost of liability insurance. As such, they may have different expectations for their job and pay in the civilian world. In some aspects, they could be an expert but in others, they can be as unaware as the graduating Chief Resident.

Even if one is not leaving for financial reasons, there are financial aspects that one must consider. One, the tax-free BAH, BAS, and COLA are no longer available. Henceforth, all of their earned money will be taxed. This increase in one's taxable total income will likely put them in a higher tax bracket. On the other hand, if one had bought a house using the VA loan and then sells the home when they leave government service, they are eligible to use the same VA loan again, and thus they can purchase a new home with no down payment again. These aspects must be considered to help one decide on what kind of civilian job to take and how much salary they need to continue with their current standard of living.

When to Get Out of the Military

For those in military service, this is likely a very big question. The decision to leave the military has many opinions and is based on many factors; but most will agree that it should not be based on money alone. Most financial planners will also agree that leaving the military after ten or more years of ser-

Table 5.2 Monthly retirement pay per rank[a,b]

	O-3 ($)	**O-4 ($)**	**O-5 ($)**	**O-6 ($)**	**O-7 ($)**
20 years	3224.04	3763.32	4308.44	4923.86	6161.33
22 years	3546.44	4139.65	4882.00	5558.78	6777.43
24 years	3707.65	4515.98	5325.82	6221.52	7393.60
26 years	4191.25	4892.32	5769.63	7070.53	8050.51
28 years	4513.66	5268.65	6213.45	7614.42	8669.78
30 years	4836.06	5644.98	6657.27	8321.23	9474.91

[a]This is 50% of the base pay. Rates are subject to change and are based on 2016 projections
[b]The retirement pay is actually based on the average monthly salary of the last 3 years of service. These rates will vary as may the time in rank amongst individuals

vice is not financially savvy for the majority of physicians. For one, there is no retirement plan that can match the current one offered for military service. After 20 years of service, the military offers an annual annuity at 50% of the average of the service member's last 3 years of pay. As mentioned before, this annuity also increases with inflation. Most physicians will retire as an O-5 or O-6, which means their retirement pay will be about $51,700–59,100 annually (See Table 5.2). Additionally, the retirement package also includes lifelong medical and dental coverage. If one estimates this to cost about $2000.00 monthly or about $24,000.00 annually, this means the annuity for this retirement package pays about $75,000–83,000 annually. This alone is not enough to live the way one may be accustomed to living but this certainly brings added financial security as collection for this retirement pay starts as soon as one retires from the military and not at age 62 or 65. An O-5 officer who serves 20 years would earn $4308.44 monthly which would cover the mortgage of a $700,000 home, using the VA loan with no down payment and a 4.0% interest rate over 30 years.

So one financial question for those deciding to get out before retirement is how much money does one have to invest in a pension to match the cost of losing out on the

military's retirement plan? This has a lot of variables but assume that the surgeon wants to leave after her 10th year of service. At that point she will likely be an O-4 making approximately $160,000 annually of which about $20,000.00 is tax-free. If she would like to have that same $74,000 annually, one assumes a market rate of return on their pension investment of about 6%, and one uses only 3–5% of their money to have for retirement at 65, then the estimated amount of investment needed is anywhere from $6200–11,000 per month or $74,400–132,000 for 10 years. This assumes a 1% inflation rate and no change in investment plans if the market return goes below 6%. This means one would need to earn an extra $74,000–132,000 annually that would all go towards their retirement pension plan. So she would need a position that pays $234,000–292,000 annually if all of that additional pay went to retirement investment. This also assumes she would like to start collecting this pay 10 years after she leaves the military, which most physicians would not typically do.

According to one website, the salary of a general surgeon ranges from $249,700-336,000 [7], which one might think will be more than enough to pay for a retirement plan similar to the military's. Remember, though, that this new salary will be taxed at 33% (married filed jointly) v a 25% rate since the amount of taxable income is less [8]. This makes the net civilian salary about $167,299–225,120. There will also be more overhead cost, like liability insurance that for the average general surgeon is about $15,000 annually, so now the net salary is closer to $152,299–210,120. While the salary after taxes for the military surgeon is around $140,000, one can see there is not as much difference as initially thought especially if one would like a similar pension plan. The pay difference is not as significant and while the higher end of the civilian general surgeon's salary is significant, those types of jobs are not available in every location where one might want to live. Ultimately to make up the difference of those 10 years, one would have to get a job that after taxes pays that $234,000–292,000 with all of that extra money going toward the retirement investment. Since most physicians are not retiring at

age 46, what this really means is that they will have to work longer and invest a lot more to match the pension plan of the military.

Conversely if one were to stick it out in the military for 20 years and then assume a surgeon's job, they would also have the additional $75,000–83,000 in annual income. Additionally the military does have the Multi-year Specialty Pay (MSP), which is a retention bonus that is available for those who have completed their initial military obligation. For general surgeons, this ranges from a 2-year contract at $60,000 per year to a 4-year contract at $110,000 per year. Combined with the pay raises that occur with more years of service and an increase in rank, the annual military salary will not be $100,000 less than the average general surgeon salary anymore. Again, financially, it may be best to stay in the military if one has already invested 10 years. It should be noted, though, that pay scales, pay raises, and retention bonuses are determined by Congress and are thus subject to change occassionally.

Like the military, GS employees enjoy a pension-related incentive package for years of service. Here it is called the FERS or Federal Employees Retirement System. It is a three tiered plan based on Social Security Benefits, FERS basic benefits, and the Thrift Savings Plan (TSP), which is similar to a 401 K. Unlike Active Duty surgeons, these monies are deducted from the GS employee's salary. Just like a 401 K, the employee can decide how much they want to allot to their TSP but the FERS and Social Security benefits are automatically deducted from their pay. The pension, like the military's, will be similar but here, 25 years of service affords one a pension plan with annuities based on the average of the highest three annual salaries of the provider while in government service. Another main difference is that the annuity is based on 25% of their total annual salary and not 50% of the base salary as it is in the military [9]. For the person who works long enough to earn a $355,000 annual salary, this would mean a monthly annuity of about $7400.

This, of course, is only considering the benefit of the government's pension programs. While the market dictates the salary, it is probably safe to say that most civilian pediatricians and primary care providers cannot compete with the pension plan provided by retiring from the military and or government service. Conversely, some bariatric surgeons and orthopedic surgeons probably can make more than enough to offset the tax breaks, the health insurance package, and the pension of retirement. For most others, though, the decision to stay in will come down to whether or not they care to deploy, and they care about career development, family stability, practice freedom, and the hassles of working for the government. If one has only 4–8 years invested in the military, then it may not be worth 12 years of deployments, moves, and following someone else's directives to stay for those remaining years.

Another aspect to consider is what kind of clinical surgery practice one wants after leaving the military. After 15–20 years in the military (including residency), one would be 40–45 years old. This is considered a senior surgeon in the military, and thus, one would likely have a position of leadership. This is quite often independent of clinical ability and if one spends the last 3–4 years of their military career doing mostly administrative work, they might be limiting their ability to perform robust clinical work. It would be quite rare for someone on Active Duty to be doing 400 or more cases per year even in the busiest of MTFs, unless they were also doing locum tenems work also. So if one would like to be a busy, technically superior surgeon and not an academic or administrative one, it would behoove them to try and avoid some leadership positions or administrative tasking that are commonplace for higher-ranking officers. If one cannot avoid this or prefers to eliminate the chance of this happening altogether, it may be wise to leave the military despite the retirement benefits.

Leaving the Military

Whether you leave after 6 years or leave after 20, most people in the military will recommend that one start planning for

life after the military 2 years before the date of their retirement or release from the military. Like many young surgeons, recently graduated residents, or fellows, one of the first things the surgeon must do is decide on what type of job he or she wants. The general options are clinical only, academic and clinical, and resident based or resident affiliated. The surgeon should also decide on what type of surgeries they would like to mostly perform. For a general surgeon, for instance, would they like to do all of general surgery or would they like to specialize more, use robot-assisted laparoscopic surgery, do endoscopy, do trauma, or breast disease. Next, they should decide what type of practice they would like to be in: private practice, employed by the hospital, large group, or small group. This will have bearing on call frequency, call responsibilities, and clinic responsibilities. One should also decide what region of the country they would like to be in, the size of the city they where they would like to work, and an expectation for compensation.

Joining the VA after Active Duty is also an option and will add to their time of government service. As many VA hospitals are in need of leadership positions and are affiliated with an academic institution, this could be a viable option for those interested in administrative work or academics. It should be noted that if one leaves the military but continues on in government service in the VA or as a GS provider, they cannot collect their retirement pay and a separate salary from the government at the same time. Their years in the VA or as a GS employee though will contribute to their overall pension once they decide to leave government service completely.

If one later decides to return on Active Duty or return to the VA system, their previous service time is added on towards retirement. In other words, if someone serves 10 years in the military, enters a civilian practice, then returns to Active Duty 5 years later, he or she would already have 10 years towards retirement and would only have to serve ten more to make it to 20. Conversely some may opt to serve in the Reserves after finishing Active Duty. This too can be

added to their current time in government and afford one more pay after they retire from service completely [10].

Those who elect to leave the military should utilize the Transition Assistance Program (TAP) to help them with the transition out of military life. All persons who served on Active Duty will have a percentage of disability evaluation by the VA medical system. In other words, if one develops chronic back pain due to a deployment-related injury, then he or she would be eligible to have the care for this injury covered by the VA system. This may affect benefits to them even if they have not served 20 years in the military, as the amount of disability directly affects pay earned. Here one must determine their level of physical health and what, if any, ailments will be eligible for treatment through the VA. During the process they will have a retirement physical and a Board will meet to determine how much of their ailments are eligible for this benefit. If this disability is combat-related or if the retiree has a 50% or greater disability, then this disability benefit is tax-free. For those that do retire from the military, the disability benefit since 2004 is given in addition to retirement pay [11]. One other retirement benefit is that for those retirees who have more than 10% disability, the VA funding fee for the VA home loan is waived.

There are many other financial things to remember prior to leaving Active Duty. Allotments to investments or to other financial institutions will automatically stop when one leaves the military. Retirees can arrange for their allotments to be taken from their retirement pay. But not all allotments will be transferrable from retirement pay; so one should discuss this with their Finance Office before leaving government service. Those that were on Active Duty after the events that occurred on September 11, 2001 are also eligible for the Post 9-11 GI Bill, which pays up to 36 months of educational benefits payable up to 15 years after the release from Active Duty. This benefit may be passed along to one's spouse, one's child or spread amongst their children to help pay for college as most physicians are not in need of this type of education. Naming these beneficiaries must occur before one leaves

Active Duty [12]. Government physicians do not need to have tail coverage insurance for the patients they cared for while in government service, because again any claim would go against the US government and not the individual provider.

Another aspect to consider for those that retire from the military is impending death. Life insurance can be complicated. All Active Duty members have Servicemembers Group Life Insurance (SGLI) that pays a lump sum of $500,000 to the beneficiaries in the event of death while on Active Duty. This benefit stops once Active Duty service has ended. Service members have the option of changing to Veterans Group Life Insurance (VGLI), which pays a maximum of $400,000 in coverage. The insurance question is a very detailed one, but if a surgeon has retired from the military, their age would be roughly 45–50 years and this would be a premium of about $88–144 a month [13]. Any financial planner or insurance agent will note that a lot more goes into this decision, and a good former one, will have put their clients on life insurance independent of the SGLI way before retirement. Retirement benefits continue on until the death of the service member, and this may leave the spouse with no source of income after that death. Another option for retired service members is to put part of their retirement pay into the Survivor Benefit Program (SBP). This is costly as it can be up to 55% of the monthly annuity but it does present some security for the spouse. Additionally one may opt to include children, an ex-spouse, or whomever they choose, if they do not have a spouse or child. One should consult with a financial planner with experience in military retirement to make a decision on this option. It should be noted that the default is that one will choose the SBP option, and opting out of it, requires the spouse's signature and their acknowledgement of that fact. There is also a COLA adjustment that is incorporated into the SBP and this adjusts for inflation also, but SBP probably should not replace life insurance but rather augment it [14].

When it comes to negotiating salary, one should remember that the average military surgeon will be at a different stage of life and thus accustomed to a different standard of living than the typical graduating Chief Resident or Fellow. To that end, one should have a good idea of what salary they would need to continue at least at their current living standard or to continue with their current investment strategies. Just like the military, one's pay should not be based solely on the base salary. There may be benefits like a 401 K investment plan, more pay for having a leadership position, extra monies allotted for CME, extra pay for academic pursuits (and this would likely require one to publish regularly), life insurance, and medical and dental insurance. If one were to continue the medical/dental coverage they used while in the military, they may not have need for other coverage if they have retired from Active Duty. This can be negotiated to increase the base salary. So could, too, a relocation bonus. As stated before the DOD will pay for the final relocation of their service member. The service member has up to 5 years to claim this move.

Like for any surgeon looking for a job in civilian practice, salary that is based on production can also be modified based on academic requirements and administrative position duties. As the career military surgeon may be looking for a leadership position (especially if they have been doing more administrative work for a few years), he or she may be able to negotiate a reduced production target or compensation in their salary for those duties. Most likely, the military physician will need a new state medical license. While in the military, any state license in good standing allows them to practice in a MTF. But when leaving Active Duty, that surgeon will most likely need to apply for a new one unless they plan on practicing in the state in which they currently have a license.

Finally, the surgeon should allot plenty of time to do their research (again 2 years is recommended) and put their best foot forward when applying for the new job. In most cases for the newly graduated surgeon, they will stay at their first job for 3 years before moving. For the retired military surgeon, moving again may represent additional stress as they

may be looking for some stability after several moves over 20 years and because civilian practice alone will be a big change in their daily life. Going the extra mile like having one's resume professionally done, buying tailored suits for interviews, hiring a financial planner, retaining a lawyer to review the medical contract, looking at schools for their children, and estimating a prospective location's cost of living is paramount for this process, so the surgeon can find the best fit not just for their professional careers but for their family too, if that applies.

Leaving Veterans Administration or GS Employment

Leaving the GS employee or VA system will be a bit different from leaving the military, as there are less salary and benefit considerations to comprehend. Suffice it to say, though, that since the higher end salary for the most senior VA surgeons is around $355,000, it would be very difficult for someone with over 20 years in the VA system to consider leaving for financial reasons. For those with significantly less accrued time and a longer period time before they reach 25 years, they may be able to leave their GS employment and have it still make sense financially.

Overall

Government service and serving in the military can be a very rewarding experience. It won't be hard to find someone on any hospital's staff that served on Active Duty or in the VA system. There are most certainly some headaches that go along with working in the government, but the honor of serving is not something that is easily replicated. One thing that is commonly heard amongst physicians in the military or the VA system is that it is very satisfying caring for the servicemembers and veterans who have made great sacrifices

for the United States. Furthermore, with more years of service, the salary of government service may not be as far from that of the civilian surgeon as it initially seems, especially if one can start collecting a pension before the age of 50 or buy a million dollar home without a down payment. Government pay will never compete with a $400,000+ salary; but, at the same time, this may require a much poorer quality of life and not much time to enjoy all of that extra money.

Disclaimer

The views expressed in this chapter are those of the authors and do not reflect the official policy of the Department of the Army, Department of Defense, or the United States Government.

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