



2023

Review of Physician and Advanced Practitioner Recruiting Incentives

An Overview of the Salaries, Bonuses, and Other Incentives Customarily Used to Recruit Physicians, Physician Assistants, Nurse Practitioners and CRNAs



Introduction

The *2023 Review of Physician and Advanced Practitioner Recruiting Incentives* is latest in a series of annual reports produced by AMN Healthcare's Physician Solutions division – formerly known as Merritt Hawkins. The Physician Solutions division of AMN Healthcare specializes in the recruitment of physicians in all medical specialties, physician leaders, and advanced practice professionals (APs). Other divisions of AMN Healthcare, the nation's largest publicly traded healthcare talent solutions company, specialize in a wide range of nurse, allied healthcare professional, technology, management and revenue cycle solutions.

This report marks AMN Healthcare/Merritt Hawkins' 30th annual *Review* of the search and consulting engagements we conduct on behalf of our clients. The *Review* is the longest consecutively published and most comprehensive report on physician and AP recruiting incentives in the industry.

Over the past 30 years the *Review* has become a standard benchmarking resource used by hospitals, medical groups and other healthcare facilities to determine which incentives are customary and competitive in physician and AP recruitment. The *Review* also has become a resource widely utilized by healthcare journalists, analysts, policy makers and others who track trends in physician supply, demand and compensation.

Ongoing Thought Leadership

Produced by AMN Healthcare's Center for Workforce Research, the *Review* is part our ongoing thought leadership initiatives, which include surveys, white papers, speaking presentations, blogs, webinars and podcasts.

The *2023 Review* is based on a representative sample of the 2,676 permanent physician and AP search engagements that AMN Healthcare's Physician Solutions division had ongoing or conducted during the 12-month period from April 1, 2022, to March 31, 2023.

The intent of the *Review* is to quantify financial and other incentives offered by our clients to physician and AP candidates during the course of recruitment. Incentives cited in the *Review* are based on contracts or incentive packages used by hospitals, medical groups and other facilities in real-world recruiting engagements.

A Key Differentiator

Unlike other physician compensation surveys, the *Review* tracks **physician and AP starting salaries** and other recruiting incentives, rather than total annual compensation. It therefore reflects the incentives physicians and APs are offered to attract them to new practice settings rather than what they may actually earn and report on their tax returns.

The range of incentives detailed in the *Review* may be used as benchmarks for evaluating which recruitment incentives are customary and competitive in today's market. In addition, the *Review* is based on a national sample of search assignments and provides an indication of which physicians and APs are currently in the greatest demand, as well as the types of medical settings into which physicians and APs are being recruited.

Following are several key findings of the *2023 Review*.





Key Findings

AMN Healthcare's 2023 *Review of Physician and Advanced Practitioner Recruiting Incentives* reveals a number of trends within the physician and AP recruiting market, including:

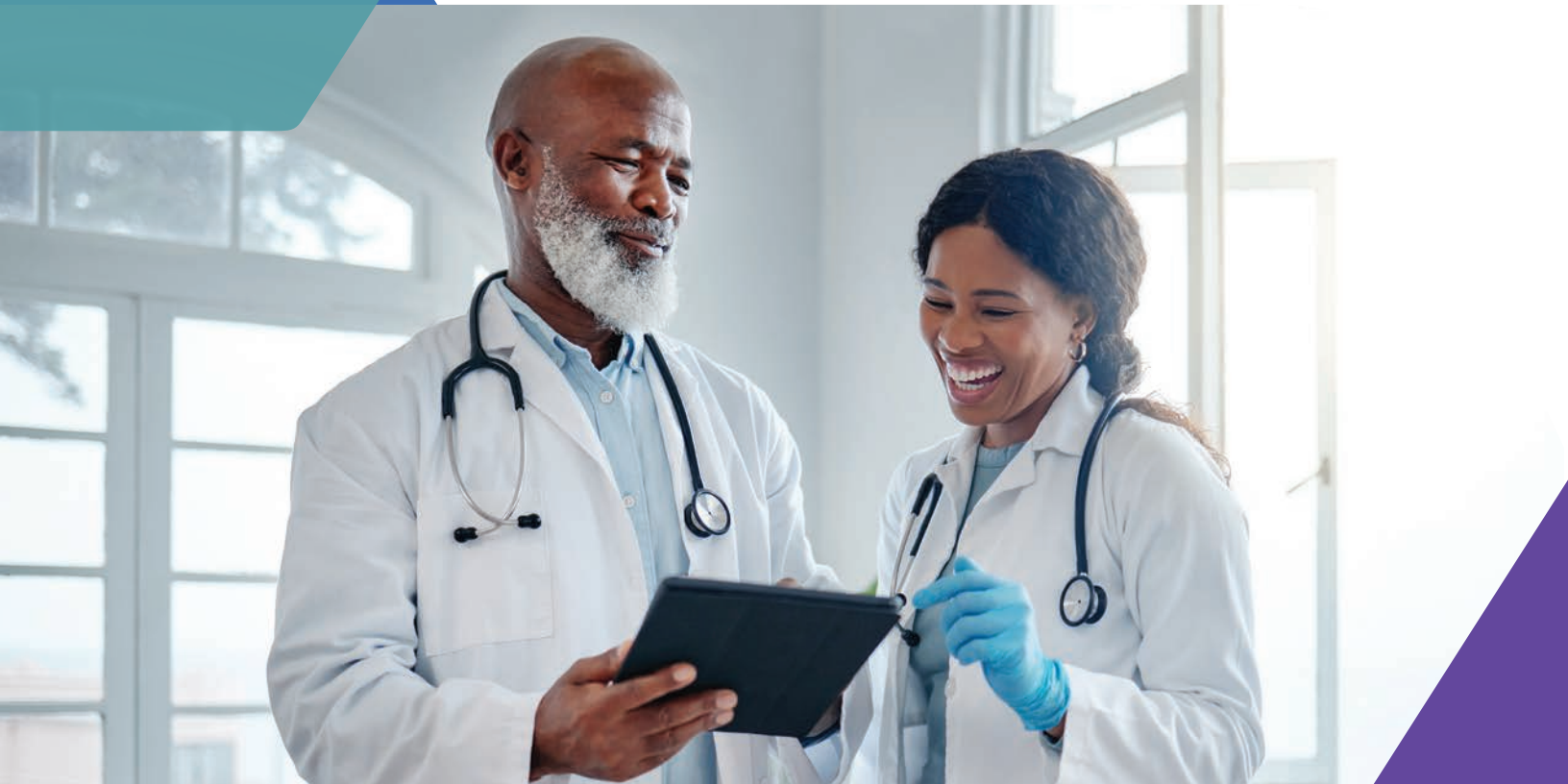
- Nurse practitioners (NPs) topped the list of AMN Healthcare's most requested search engagements for the third consecutive year.** Demand for NPs is being driven by a growing number of "convenient care" providers, including retail clinics, urgent care centers and telemedicine platforms, which employ large numbers of NPs.
- Average salary offers made to NPs were up 9% year-over-year**, from \$138,000 last year to \$158,000 this year, underscoring the strong demand for advanced practice nurses.
- AMN Healthcare now conducts more searches for APs, including NPs, physician assistants (PAs) and certified registered nurse anesthetists (CRNAs)**, than it does for primary care physicians, highlighting ongoing patient migration away from primary care practices toward retail clinics, urgent care centers and telemedicine providers.
- Only 17% of AMN Healthcare's search engagements this year were for primary care physicians**, the same number as last year, while **19% of search engagements were for APs**, also the same as last year.
- While demand for primary care physicians has leveled, **family physicians were AMN Healthcare's second most requested search engagement** this year and have been either second or first for the last 17 years. Many healthcare organizations continue to recruit primary care physicians – decline in demand for their services is only relative to previous years when demand peaked.
- The majority of AMN Healthcare's search engagements this year (64%) were for physician specialists**, including radiologists (third on the list of our most requested search engagements), anesthesiologists, psychiatrists, cardiologists, gastroenterologists, orthopedic surgeons, neurologists, oncologists and others, reflecting the needs of an aging population that is reliant on specialty care.
- OB/GYNs were 4th on the list of AMN Healthcare's most requested search engagements** this year, up from 5th last year. Starting salaries for OB/GYNs were up 10.5% year-over-year.
- Psychiatrists dropped from 4th on the list** of AMN Healthcare's search engagements last year to 6th this year. This may be a result of the inability of some

facilities to find psychiatrists. In lieu of psychiatrists, some facilities are turning to psychologists, APs and other behavioral health providers to meet mental healthcare needs.

- **Average starting salary offers made to specialists were generally up year-over-year**, underscoring continued strong demand for physician specialists. Average starting salaries for dermatologists were up 22% year-over-year, average starting salaries for psychiatrists were up 19%, and average starting salaries for orthopedic surgeons were up 12%.
- **Average starting salary offers in primary care were either flat or down year-over-year.** Average starting salaries were up 2% for family physicians, up less than 1% for pediatricians and unchanged for internal medicine physicians.

- **Orthopedic surgeons were offered the highest average starting salary** of physicians tracked in the 2023 Review, at \$633,000.
- **Pediatricians were offered the lowest average starting salary** of physicians tracked in the 2023 Review, at \$233,000.
- **The average signing bonus for physicians was \$37,473** up from \$31,000 last year.
- **The average signing bonus for NPs and PAs was \$8,355**, down from \$9,000, last year.
- **71% of AMN Healthcare's search engagements were located in communities of 100,000 people or more**, indicating that demand for physicians and APs is not limited to small and/or rural communities.

Following is a breakout of the characteristics and metrics of AMN Healthcare's 2022/23 recruiting engagements.





AMN Healthcare 2023 Review of Physician and Advanced Practitioner Recruiting Incentives:

Recruiting Engagement Characteristics and Metrics

1. Total Number of Physician/Advanced Practitioner Search Assignments Represented

The 2023 *Review* is based on a representative sample of the 2,676 permanent physician and AP search engagements AMN Healthcare Physician Solutions had ongoing or was engaged to conduct during the 12-month period from April 1, 2022 to March 31, 2023.

2. Settings of Physician Search Assignments

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Hospital	939 (35%)	914 (34%)	813 (33%)	1,168 (36%)	1,065 (34%)	1,230 (40%)
Group	612 (23%)	487 (18%)	714 (29%)	1,042 (32%)	877 (28%)	798 (26%)
Solo/partnership/Concierge	52 (2%)	29 (1%)	70 (3%)	92 (3%)	31 (1%)	45 (2%)
CHC/FQHC/IHS	135 (5%)	219 (8%)	197 (8%)	199 (6%)	282 (9%)	363 (12%)
Academics	830 (31%)	911(34%)	493 (20%)	591 (18%)	626 (20%)	464 (15%)
Other (Urgent Care, HMO, Association, Home Health, etc.)	108 (4%)	135 (5%)	171 (7%)	159 (5%)	250 (8%)	145 (5%)

If Academics, what type of position? (Of 830 Academic Setting Positions)

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Research Faculty	8 (1%)	21 (2%)	6 (1%)	25 (4%)	21 (3%)	19 (4%)
Leadership/Administration	307 (37%)	193 (21%)	105 (21%)	168 (28%)	143 (23%)	155 (37%)
Clinical Faculty	515 (62%)	697 (77%)	382 (78%)	398 (68%)	462 (74%)	250 (59%)

3. States Where Search Engagements Were Conducted

AMN Healthcare Physician Solutions conducted search engagements in all 50 states with the exception of Hawaii during the 2023 Review period, as well as Washington, D.C.

4. Number of Searches by Community Size

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
0-25,000	293 (11%)	326 (12%)	549 (17%)	534 (17%)	612 (20%)	755 (23%)
25,001-100,000	510 (18%)	536 (20%)	588 (18%)	530 (17%)	545 (18%)	742 (22%)
100,001+	1,873(71%)	1,833 (68%)	2,114 (65%)	2,067 (66%)	1,888 (62%)	1,790 (55%)



5. Top 20 Most Requested Searches by Specialty

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
1. Nurse Practitioner	420	405	335	270	169	205
2. Family Medicine	279	280	284	448	457	497
3. Radiology	155	162	136	163	148	132
4. Obstetrics/Gynecology	149	148	108	122	161	118
5. Anesthesiology	139	117	78	72	70	40
6. Psychiatry	138	153	124	182	199	243
7. Internal Medicine	130	133	117	146	148	150
8. Gastroenterology	99	95	67	65	85	102
9. Cardiology	99	100	63	56	97	57
10. Hematology/Oncology	96	86	74	91	53	31
11. Hospitalist	63	63	27	71	143	118
12. Neurology	57	43	63	115	84	61
13. Urology	53	48	N/A	N/A	N/A	N/A
14. CRNA	50	86	64	71	47	23
15. Dermatology	47	35	42	43	60	66
16. Orthopedics	46	51	45	55	73	85
17. Pediatrics	37	53	28	54	85	63
18. Pulmonary/Critical Care/Intensivist	33	53	34	37	56	40
19. Rheumatology	27	34	N/A	N/A	N/A	N/A
20. Endocrinology, Diabetes & Metabolism	27	N/A	N/A	N/A	N/A	N/A

6. Other Specialty Recruitment Engagements

Advanced Practice Midwife
 Allergy & Immunology
 Allergy & Immunology, Allergy
 Anesthesiologist Assistant
 Anesthesiology, Cardiac
 Anesthesiology, Critical Care-Intensivist Medicine
 Anesthesiology, Pain Medicine
 Anesthesiology, Pediatric Anesthesiology

Anesthesiology, Pediatric Cardiac
 Behavioral Health, Psychologist
 Behavioral Health, Psychologist, Clinical
 Behavioral Health, Psychologist, Clinical Child & Adolescent
 Behavioral Health, Psychologist, Forensic
 Behavioral Health, Social Worker
 Behavioral Health, Social Worker, Clinical

Behavioral Health, Social Worker, School
 Cardiothoracic Surgery
 Dental, Dentist, Endodontics
 Dental, Dentist, General Practice
 Dental, Dentist, Oral and Maxillofacial Surgery
 Dental, Dentist, Pediatric Dentistry
 Dermatology, MOHS-Micrographic Surgery
 Emergency Medicine
 Emergency Medicine, Pediatric Emergency Medicine
 Family Medicine, Adolescent Medicine
 Family Medicine, Adult Medicine
 Family Medicine, Geriatric Medicine
 Family Medicine, Obstetrics
 Family Medicine, Sports Medicine
 Hospitalist, Nocturnist
 Internal Medicine, Addiction Medicine
 Internal Medicine, Allergy & Immunology
 Internal Medicine, Bariatric Medicine
 Internal Medicine, Cardiology - Advanced Cardiac Imaging
 Internal Medicine, Cardiology - Electrophysiology
 Internal Medicine, Cardiology - Heart Failure
 Internal Medicine, Cardiology - Interventional
 Internal Medicine, Cardiology - Nuclear
 Internal Medicine, Geriatric Medicine
 Internal Medicine, Hematology
 Internal Medicine, Hematology & Oncology - Bone Marrow Transplantation
 Internal Medicine, Hospice and Palliative Medicine
 Internal Medicine, Infectious Disease
 Internal Medicine, Medical Oncology
 Internal Medicine, Nephrology
 Internal Medicine, Pediatric
 Internal Medicine, Sleep Medicine
 Medical Genetics
 Medical Genetics, Clinical Cytogenetic
 Medical Genetics, Clinical Genetics (M.D.)
 Medical Physicist, Oncology
 Neurological Surgery
 Neurological Surgery, Critical Care-Intensivist Medicine
 Neurology, Child Neurology / Pediatric Neurology
 Neurology, Clinical Neurophysiology / EMG
 Neurology, Epilepsy
 Neurology, Headache & Neuropathic Pain
 Neurology, Hospitalist
 Neurology, Neuro-Critical Care
 Neurology, Neurology
 Neurology, Oncology
 Neurology, Pain Medicine
 Neurology, Parkinson's/Movement Disorders
 Neurology, Vascular Neurology / Stroke
 Neuromusculoskeletal Medicine & OMM
 NP, Acute Care
 NP, Cardiac
 NP, Cardiology
 NP, Diabetes Specialist
 NP, Emergency
 NP, Geriatrics
 NP, Neonatal, Critical Care-Intensivist
 NP, Obstetrics & Gynecology
 NP, Occupational Health
 NP, Oncology
 NP, Pediatrics
 NP, Primary Care
 NP, Psych/Mental Health
 NP, Women's Health
 Nurse Practitioner, Critical Care Medicine
 Obstetrics & Gynecology, Gynecologic Oncology
 Obstetrics & Gynecology, Gynecology
 Obstetrics & Gynecology, Maternal & Fetal Medicine
 Obstetrics & Gynecology, Obstetrics
 Obstetrics & Gynecology, Reproductive Endocrinology
 Ophthalmology
 Ophthalmology, Glaucoma
 Ophthalmology, Plastic and Reconstructive Surgery
 Ophthalmology, Retina Surgery
 Oral & Maxillofacial Surgery
 Orthopedic Surgery, Adult Reconstructive Orthopedic Surgery / Total Joint
 Orthopedic Surgery, Foot and Ankle Surgery
 Orthopedic Surgery, Hand Surgery
 Orthopedic Surgery, Pediatric Orthopedic Surgery
 Orthopedic Surgery, Spine
 Orthopedic Surgery, Sports Medicine
 Orthopedic Surgery, Trauma
 Otolaryngology
 Otolaryngology, Pediatric Otolaryngology
 Physician Assistant
 PA, Medical
 PA, Orthopedic
 PA, Surgical

Pain Medicine
 Pain Medicine, Interventional Pain Medicine
 Pain Medicine, Pain Management
 Pathology
 Pathology, Anatomic Pathology
 Pathology, Anatomic Pathology & Clinical Pathology
 Pathology, Clinical Pathology
 Pathology, Clinical Pathology/Laboratory Medicine
 Pathology, Cytopathology
 Pathology, Dermatopathology
 Pathology, Forensic Pathology
 Pathology, Gastroenterology
 Pathology, Hematology
 Pediatrics, Adolescent Medicine
 Pediatrics, Child Abuse Pediatrics
 Pediatrics, Developmental / Behavioral Pediatrics
 Pediatrics, Genetics
 Pediatrics, Hospitalist
 Pediatrics, Neonatal-Perinatal Medicine / Neonatology
 Pediatrics, Pediatric Cardiology
 Pediatrics, Pediatric Endocrinology
 Pediatrics, Pediatric Hematology-Oncology
 Pediatrics, Pediatric Infectious Diseases
 Pediatrics, Pediatric Intensivist
 Pediatrics, Pediatric Nephrology
 Pediatrics, Pediatric Rheumatology
 Pharmacy, Pharmacist
 Pharmacy, Pharmacist, Oncology
 Physical Medicine & Rehabilitation
 Physical Medicine & Rehabilitation, Pain Medicine
 Physical Medicine & Rehabilitation, Pediatric Rehabilitation Medicine
 Plastic & Reconstructive Surgery
 Preventive Medicine, Occupational Medicine
 Psychiatry, Addiction Psychiatry
 Psychiatry, Child & Adolescent Psychiatry
 Psychiatry, Forensic Psychiatry
 Psychiatry, Geriatric Psychiatry
 Psychiatry, Psychiatry
 Radiology, Body Imaging
 Radiology, Cardiothoracic
 Radiology, Mammographer
 Radiology, Musculoskeletal
 Radiology, Neuro-Interventional
 Radiology, Neuroradiology
 Radiology, Nuclear Radiology
 Radiology, Pediatric Radiology
 Radiology, Radiation Oncology
 Radiology, Teleradiology
 Radiology, Vascular & Interventional Radiology
 Surgery
 Surgery, Breast
 Surgery, Burn
 Surgery, Colon & Rectal Surgery
 Surgery, Pediatric Surgery
 Surgery, Surgical Critical Care (Trauma Surgery)
 Surgery, Surgical Oncology
 Surgery, Surgical Trauma Surgery (Critical Care)
 Surgery, Transplant Surgery
 Surgery, Vascular Surgery
 Urgent Care
 Urology, Female Pelvic Medicine and Reconstructive Surgery
 Urology, Oncology
 Urology, Pediatric Urology

Academic Medical Center Search Engagements

Assistant Dean, Osteopathic Manipulative Medicine
 Associate Chair, Psychiatry
 Associate Chief, Clinical Affairs and Clinical Director, Rheumatology
 Associate Dean, Faculty Affairs
 Associate Director, Diversity Equity and Inclusion
 Associate Director, Population Sciences
 Associate Division Chief, Clinical Affairs and Director, Blood Disorders and Cell Therapy Center
 Associate Researcher, Nephrology
 Chair, Psychiatry
 Chief, Cardiac Anesthesiology
 Chief, Epilepsy
 Chief, Hematologic Malignancy, Transplant and Cellular Therapy
 Chief, Hematology Oncology
 Chief, Hospital Medicine
 Chief, Hospitalist Medicine

Chief, Infectious Diseases
 Chief, Obstetric Anesthesiology
 Chief, Pediatric Critical Care and Medical Director,
 Pediatric Intensive Care Unit
 Chief, Pediatric Emergency Medicine
 Chief, Pediatric Endocrinology and Diabetes
 Chief, Pediatric Neurology
 Chief, Pediatric Radiology
 Clinical Director, Psychiatry
 Co-Director, Clinical Genetics Laboratory
 Director, Allogeneic Stem Cell Transplantation
 Director, Basic Science & Research, Physician Assistant
 Program
 Director, Breast Imaging
 Director, Breast Medical Oncology
 Director, Breast Surgery
 Director, Cancer Genetics & Genomic Diagnostics
 Director, Cardiac Surgery
 Director, Cardiac Transplant
 Director, Center for Healthcare Policy & Research
 Director, Genetics
 Director, Inflammatory Bowel Disease Center
 Director, Intensive Services, Neurodevelopmental Unit
 Director, Lawrence J. Goldrich Institute for Integrated
 Neuro-Health
 Director, Multiple Myeloma
 Director, Psychological Clinic
 Director, Substance Abuse/Addiction Medicine
 Division Director, Endocrinology, Diabetes, and
 Metabolism
 Division Director, Gastroenterology, Diabetes, and
 Metabolism
 Division Director, Gynecologic Oncology
 Division Director, Nephrology

Division Director, Pediatric Anesthesiology
 Division Director, Reproductive Endocrinology and
 Infertility
 Division Head, Gastroenterology and Hepatology
 Endowed Chair and Section Chief, Endocrinology
 Executive Director, Digestive Diseases Institute
 Executive Medical Director, Oncology Clinical Research
 Unit
 Head Team Physician and Primary Care Physician
 Lead Physician, Transitions of Care Post-Acute Care
 Medical Director, Bone Marrow Transplant
 Medical Director, Breast Radiology
 Medical Director, Breast Surgical Oncology
 Medical Director, Cardiac Cath Lab
 Medical Director, Family Medicine
 Medical Director, Neonatology
 Medical Director, Physical Medicine & Rehabilitation,
 Acute Rehabilitation Center
 Medical Director, Sleep Medicine
 Medical Director, Student Health
 Research Co-Leader, Cancer Biology
 Research Co-Leader, Discovery & Developmental
 Therapeutics
 Residency Program Director, Family Medicine
 Residency Program Director, Internal Medicine
 Residency Program Director, Pediatrics
 Section Chief, Endocrinology
 Site Chief, Cerebrovascular Neurosurgery
 Site Chief, Pediatric Emergency Medicine
 System Director, Advanced Heart Failure Services
 Vice Chair and Chief, Pediatric Anesthesiology
 Vice Chair of Pathology in Clinical Pathology, Medical
 Director, Clinical Laboratories



7. Income Offered to Top 20 Most Recruited Physicians and APs

(Base salary or guaranteed income only, does not include production bonus or benefits. Average salaries indicated for non-Academic and Academic positions in select specialties in which Academic salary data is most robust. All numbers rounded)

Nurse Practitioner	LOW	AVERAGE	HIGH
2022/23	\$115,000	\$151,000	\$271,000
2021/22 (All Positions)	\$68,000	\$138,000	\$266,000
2021/22 (Non-Academic)	\$68,000	\$153,000	\$266,000
2021/22 (Academic)	\$75,000	\$128,000	\$174,000
2020/21	\$90,000	\$140,000	\$275,000
2019/20	\$90,000	\$125,000	\$234,000
2018/19	\$90,000	\$124,000	\$200,000
2017/18	\$85,000	\$129,000	\$205,000

YOY +9% All Positions

Family Medicine	LOW	AVERAGE	HIGH
2022/23 (All Positions)	\$120,000	\$255,000	\$375,000
2022/23 (Non-Academic)	\$120,000	\$255,000	\$325,000
2022/23 (Academic)	\$204,000	\$259,000	\$375,000
2021/22 (All Positions)	\$185,000	\$251,000	\$322,000
2021/22 (Non-Academic)	\$185,000	\$251,000	\$322,000
2021/22 (Academic)	\$210,000	\$263,000	\$300,000
2020/21	\$180,000	\$243,000	\$400,000
2019/20	\$140,000	\$240,000	\$325,000
2018/19	\$130,000	\$239,000	\$400,000
2017/18	\$165,000	\$241,000	\$400,000

YOY change +2% All Positions

Radiology	LOW	AVERAGE	HIGH
2022/23 (All Positions)	\$370,000	\$472,000	\$693,000
2022/23 (Non-Academic)	\$120,000	\$481,000	\$693,000
2022/23 (Academic)	\$374,000	\$424,000	\$470,000
2021/22 (All Positions)	\$200,000	\$455,000	\$650,000
2021/22 (Non-Academic)	\$200,000	\$465,000	\$650,000
2021/22 (Academic)	\$340,000	\$416,000	\$500,000
2020/21	\$150,000	\$401,000	\$825,000
2019/20	\$275,000	\$423,000	\$577,000
2018/19	\$245,000	\$387,000	\$550,000
2017/18	\$309,000	\$371,000	\$650,000

YOY change +4% All Positions

Obstetrics/Gynecology	LOW	AVERAGE	HIGH
2022/23	\$240,000	\$367,000	\$700,000
2021/22	\$240,000	\$332,000	\$520,000
2020/21	\$207,000	\$291,000	\$750,000
2019/20	\$200,000	\$327,000	\$600,000
2018/19	\$200,000	\$318,000	\$475,000
2017/18	\$200,000	\$324,000	\$550,000

YOY change +10.54% All Positions

Anesthesiology	LOW	AVERAGE	HIGH
2022/23 (All Positions)	\$260,000	\$450,000	\$600,000
2022/23 (Non-Academic)	\$375,000	\$496,000	\$600,000
2022/23 (Academic)	\$260,000	\$397,000	\$500,000
2021/22	\$260,000	\$400,000	\$500,000
2020/21	\$245,000	\$367,000	\$750,000
2019/20	\$280,000	\$399,000	\$535,000
2018/19	\$281,000	\$404,000	\$450,000
2017/18	\$325,000	\$371,000	\$540,000

YOY change +12.5% All Positions

Psychiatry	LOW	AVERAGE	HIGH
2022/23 (All Positions)	\$230,000	\$356,000	\$450,000
2022/23 (Non-Academic)	\$196,000	\$360,000	\$450,000
2022/23 (Academic)	\$252,000	\$325,000	\$450,000
2021/22 (All Positions)	\$145,000	\$299,000	\$450,000
2021/22 (Non-Academic)	\$255,000	\$308,000	\$450,000
2021/22 (Academic)	\$145,000	\$271,000	\$338,000
2020/21	\$185,000	\$279,000	\$400,000
2019/20	\$185,000	\$276,000	\$400,000
2018/19	\$184,000	\$273,000	\$400,000
2017/18	\$200,000	\$251,000	\$465,000

YOY change +19% All Positions

Internal Medicine	LOW	AVERAGE	HIGH
2022/23	\$168,000	\$255,000	\$350,000
2021/22 (All Positions)	\$180,000	\$255,000	\$375,000
2021/22 (Non-Academic)	\$180,000	\$256,000	\$375,000
2021/22 (Academic)	\$201,000	\$247,000	\$300,000
2020/21	\$170,000	\$244,000	\$500,000
2019/20	\$175,000	\$276,000	\$400,000
2018/19	\$184,000	\$273,000	\$400,000
2017/18	\$200,000	\$261,000	\$465,000

YOY change 0% All Positions

Gastroenterology	LOW	AVERAGE	HIGH
2022/23	\$315,000	\$506,000	\$700,000
2021/22	\$375,000	\$486,000	\$600,000
2020/21	\$125,000	\$453,000	\$750,000
2019/20	\$300,000	\$457,000	\$600,000
2018/19	\$350,000	\$495,000	\$650,000
2017/18	\$355,000	\$487,000	\$725,000

YOY change +7% All Positions

Cardiology (Non-Inv.)	LOW	AVERAGE	HIGH
2022/23	\$281,000	\$433,000	\$584,000
2021/22	\$300,000	\$484,000	\$1,000,000
2020/21	\$350,000	\$446,000	\$700,000
2019/20	\$300,000	\$409,000	\$575,000
2018/19	\$325,000	\$441,000	\$620,000
2017/18	\$300,000	\$427,000	\$580,000

YOY change -10% All Positions

Cardiology (Interventional)	LOW	AVERAGE	HIGH
2022/23	\$300,000	\$517,000	\$800,000
2021/22	\$425,000	\$527,000	\$668,000
2020/21	\$400,000	\$611,000	\$1,000,000
2019/20	\$500,000	\$640,000	\$750,000
2018/19	\$575,000	\$648,000	\$725,000
2017/18	\$480,000	\$590,000	\$810,000

YOY change -2% All Positions

Hematology/Oncology	LOW	AVERAGE	HIGH
2022/23 (All Positions)	\$246,000	\$440,000	\$600,000
2022/23 (Non-Academic)	\$400,000	\$494,000	\$600,000
2022/23 (Academic)	\$246,000	\$391,000	\$550,000
2021/22 (All Positions)	\$215,000	\$404,000	\$590,000
2021/22 (Non-Academic)	\$240,000	\$426,000	\$590,000
2021/22 (Academic)	\$215,000	\$267,000	\$404,000
2020/21	\$180,000	\$385,000	\$1,000,000
2019/20	\$220,000	\$403,000	\$612,000
2018/19	\$200,000	\$393,000	\$450,000
2017/18	N/A	\$391,000	N/A

YOY change +9% All Positions

Hospitalist	LOW	AVERAGE	HIGH
2022/23	\$217,000	\$299,000	\$480,000
2021/22	\$203,000	\$284,000	\$376,000

YOY change +5% All Positions

Neurology	LOW	AVERAGE	HIGH
2022/23	\$267,000	\$354,000	\$525,000
2021/22	\$275,000	\$356,000	\$525,000
2020/21	\$215,000	\$332,000	\$850,000
2019/20	\$255,000	\$295,000	\$450,000
2018/19	\$250,000	\$317,000	\$400,000
2017/18	\$255,000	\$301,000	\$395,000

YOY change -1% All Positions

Urology	LOW	AVERAGE	HIGH
2022/23	\$415,000	\$540,000	\$625,000
2021/22	\$400,000	\$510,000	\$600,000
2020/21	N/A	\$497,000	N/A
2019/20	\$300,000	\$477,000	\$625,000
2018/19	\$300,000	\$464,000	\$575,000
2017/18	\$290,000	\$386,000	\$700,000

YOY change +6% All Positions

CRNA	LOW	AVERAGE	HIGH
2022/23 (All Positions)	\$163,000	\$212,000	\$280,000
2022/23 (Non-Academic)	\$249,000	\$266,000	\$280,000
2022/23 (Academic)	\$163,000	\$184,000	\$230,000
2021/22 (All Positions)	\$163,000	\$211,000	\$270,000
2021/22 (Non-Academic)	\$163,000	\$245,000	\$270,000
2021/22 (Academic)	\$163,000	\$170,000	\$205,000
2020/21	\$158,000	\$222,000	\$353,000
2019/20	\$170,000	\$215,000	\$260,000
2018/19	\$154,000	\$197,000	\$250,000
2017/18	N/A	\$194,000	N/A

YOY change +0.49% All Positions

Dermatology	LOW	AVERAGE	HIGH
2022/23	\$340,000	\$427,000	\$600,000
2021/22	\$250,000	\$368,000	\$450,000
2020/21	\$200,000	\$378,000	\$1,000,000
2019/20	\$300,000	\$419,000	\$850,000
2018/19	\$250,000	\$420,000	\$850,000
2017/18	\$280,000	\$425,000	\$985,000

YOY change +16% All Positions

Orthopedic Surgery	LOW	AVERAGE	HIGH
2022/23	\$450,000	\$633,000	\$900,000
2021/22	\$400,000	\$565,000	\$790,000
2020/21	\$300,000	\$546,000	\$1,000,000
2019/20	\$425,000	\$626,000	\$850,000
2018/19	\$350,000	\$536,000	\$850,000
2017/18	\$340,000	\$533,000	\$985,000

YOY change +12% All Positions

Pediatrics	LOW	AVERAGE	HIGH
2022/23	\$190,000	\$233,000	\$276,000
2021/22	\$200,000	\$232,000	\$412,000
2020/21	\$180,000	\$236,000	\$400,000
2019/20	\$170,000	\$221,000	\$300,000
2018/19	\$140,000	\$242,000	\$400,000
2017/18	\$189,000	\$230,000	\$355,000

YOY change +0.43% All Positions

Pulmonology/Critical Care	LOW	AVERAGE	HIGH
2022/23	\$325,000	\$418,000	\$530,000
2021/22	\$212,000	\$412,000	\$650,000
2020/21	\$250,000	\$385,000	\$650,000
2019/20	\$350,000	\$430,000	\$500,000
2018/19	\$325,000	\$399,000	\$460,000
2017/18	\$355,000	\$418,000	\$725,000

YOY change +1.5% All Positions

Endocrinology	LOW	AVERAGE	HIGH
2022/23	\$215,000	\$256,000	\$300,000

YOY change N/A

Rheumatology	LOW	AVERAGE	HIGH
2022/23	\$230,000	\$273,000	\$325,000
2021/22	\$200,000	\$258,000	\$325,000

YOY change +6% All Positions

8. Average Salaries for Five Top Most Requested Providers by Region

	MIDWEST	NORTHEAST	SOUTHEAST	SOUTHWEST	WEST
1. Nurse Practitioner	\$106,635	\$122,143	\$134,250	\$126,667	\$153,678
2. Family Medicine	\$258,364	\$248,533	\$238,423	\$251,933	\$265,905
3. Radiology	\$495,600	\$495,000	\$438,622	\$482,813	\$442,077
4. OBGYN	\$430,580	\$315,714	\$311,000	\$394,333	\$380,635
5. Anesthesiology	\$476,750	\$413,267	\$456,667	\$459,063	\$422,260

9. Type of Contract Offered

	SALARY	SALARY WITH BONUS	INCOME GUARANTEE	OTHER
2022/23	859 (32%)	1,656 (62%)	108 (4%)	53 (2%)
2021/22	886 (33%)	1,647 (61%)	104 (4%)	58 (2%)
2020/21	856 (35%)	1,503 (61%)	47 (2%)	52 (2%)
2019/20	809 (25%)	2349 (72%)	21 (<1%)	72 (2%)
2018/19	686 (22%)	2,198 (70%)	61(2%)	184 (6%)
2017/18	515 (17%)	2,285 (75%)	89 (3%)	156 (5%)

10.
If Salary Plus Production Bonus, on Which Types of Metrics was the Bonus Based? (Of 1,656 Searches Offering Salary Plus Bonus – Multiple Responses Possible)

	RVU BASED	NET COLLECTIONS	GROSS BILLINGS	PATIENT ENCOUNTERS	QUALITY	OTHER
2022/23	59%	20%	1%	5%	25%	0%
2021/22	58%	22%	2%	5%	31%	0%
2020/21	57%	23%	2%	10%	23%	0%
2019/20	73%	13%	2%	12%	64%	0%
2018/19	70%	18%	3%	9%	56%	0%
2017/18	50%	10%	1%	4%	43%	4%

11.
If Quality Factors Were Included in the Production Bonus, About What Percent Of Physician's Total Compensation Determined by Quality?

2022/23	14%
2021/22	11%
2020/21	10%
2019/20	11%
2018/19	11%
2017/18	8%

12.
Searches Offering Relocation Allowance

	YES	NO
2022/23	1,663 (62%)	1,013 (38%)
2021/22	2,106 (78%)	589 (22%)
2020/21	1,821 (74%)	637 (26%)
2019/20	3,147 (97%)	104 (3%)
2018/19	3,064 (98%)	67 (2%)
2017/18	2,999 (98%)	46 (2%)

13. Amount of Relocation Allowance (Physicians Only)

	LOW	AVERAGE	HIGH
2022/23	\$3,000	\$12,778	\$150,000
2021/22	\$2,000	\$10,718	\$30,000
2020/21	\$2,000	\$10,634	\$75,000
2019/20	\$1,000	\$10,553	\$40,000
2018/19	\$2,000	\$10,393	\$30,000
2017/18	\$2,500	\$9,441	\$25,000

14. Amount of Relocation Allowance (NPs and PAs Only)

	LOW	AVERAGE	HIGH
2022/23	\$2,000	\$7,997	\$25,000
2021/22	\$1,000	\$8,542	\$25,000
2020/21	\$2,000	\$8,363	\$15,000
2019/20	\$2,000	\$7,114	\$15,000
2018/19	\$2,500	\$7,067	\$15,000
2017/18	\$1,500	\$6,250	\$25,000

15. Searches Offering Signing Bonus

	YES	NO
2022/23	1,689 (63%)	987 (37%)
2021/22	2,475 (92%)	220 (8%)
2020/21	1,505 (61%)	953 (39%)
2019/20	2,344 (72%)	907 (28%)
2018/19	2,220 (71%)	911 (29%)
2017/18	2135 (70%)	910 (30%)

16. Amount of Signing Bonus Offered (Physicians Only)

	LOW	AVERAGE	HIGH
2022/23	\$500	\$37,473	\$570,000
2021/22	\$5,000	\$31,000	\$400,000
2020/21	\$1,000	\$29,656	\$240,000
2019/20	\$2,500	\$27,893	\$100,000
2018/19	\$3,000	\$32,692	\$225,000
2017/18	\$2,500	\$33,707	\$180,000

17. Amount of Signing Bonus Offered (NPs and PAs Only)

	LOW	AVERAGE	HIGH
2022/23	\$2,000	\$8,355	\$25,000
2021/22	\$2,500	\$9,000	\$48,000
2020/21	\$3,000	\$7,233	\$50,000
2019/20	\$2,500	\$8,500	\$35,000
2018/19	2,500	\$9,000	\$25,000
2017/18	\$5,000	\$11,944	\$30,000

18. Amount of Signing Bonus Offered for Top 5 Most Requested

	LOW	AVERAGE	HIGH
1. Nurse Practitioner	\$1,500	\$8,976	\$40,000
2. Family Medicine	\$5,000	\$45,918	\$250,000
3. Radiology	\$10,000	\$82,826	\$570,000
4. OB/GYN	\$10,000	\$46,562	\$150,000
5. Anesthesiology	\$10,000	\$33,769	\$100,000

19. Searches Offering to Pay Continuing Medical Education (CME)

	YES	NO
2022/23	2,491 (93%)	185 (7%)
2021/22	2,481 (92%)	214 (8%)
2020/21	2,306 (94%)	152 (6%)
2019/20	3,124 (96%)	127 (4%)
2018/19	2,966 (95%)	154 (5%)
2017/18	3,243 (97%)	99 (3%)

20. Amount of CME Pay Offered (Physicians Only)

	LOW	AVERAGE	HIGH
2022/23	\$3,000	\$3,840	\$45,000
2021/22	\$1,000	\$3,691	\$35,000
2020/21	\$1,000	\$3,695	\$50,000
2019/20	\$800	\$4,166	\$20,000
2018/19	\$1,000	\$3,620	\$35,000
2017/18	\$250	\$3,888	\$50,000

21. Amount of CME Pay Offered (NPs and PAs Only)

	LOW	AVERAGE	HIGH
2022/23	\$1,000	\$2,299	\$5,000
2021/22	\$750	\$2,537	\$5,200
2020/21	\$1,000	\$2,956	\$30,000
2019/20	\$1,000	\$2,313	\$5,000
2018/19	\$1,000	\$2,862	\$5,000
2017/18	\$650	\$2,280	\$5,000

22. Searches Offering to Pay Additional Benefits

	2021/22	2021/22	2020/21
Health Insurance	65%	68%	78%
Malpractice	63%	66%	76%
Retirement /401K	58%	61%	68%
Disability	57%	61%	70%
Educational Forgiveness	18%	16%	21%

23. If Educational Loan Forgiveness was Offered, What was the Term (Of 481 Searches Offering Loan Forgiveness)

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
One Year	24 (5%)	35 (8%)	45 (9%)	72 (9%)	NA	18 (3%)
Two Years	53 (11%)	67 (15%)	109 (21%)	184 (24%)	NA	104 (19%)
Three Years Plus	404(84%)	332 (77%)	360 (70%)	528 (67%)	NA	425 (78%)

**24.
If Education Loan
Forgiveness Was
Offered, What
Was the Amount?
(Physicians Only)**

	LOW	AVERAGE	HIGH
2022/23	\$10,000	\$98,665	\$400,000
2021/22	\$10,000	\$101,572	\$400,000
2020/21	\$2,500	\$104,630	\$800,000
2019/20	\$40,000	\$101,590	\$300,000
2018/19	\$10,000	\$101,571	\$300,000
2017/18	\$10,000	\$82,833	\$300,000

**25.
If Education Loan
Forgiveness Was
Offered, What
Was the Amount?
(NPs and PAs Only)**

	LOW	AVERAGE	HIGH
2022/23	\$10,000	\$70,769	\$140,000
2021/22	\$1,650	\$55,950	\$90,000
2020/21	\$60,000	\$80,000	\$100,000
2019/20	\$40,000	\$68,323	\$90,000
2018/19	\$20,000	\$61,250	\$100,000
2017/18	\$25,000	\$33,333	\$37,500





Trends and Observations

AMN Healthcare's annual *Review of Physician and Advanced Practitioner Recruiting Incentives*, now in its 30th year, tracks three key physician and advanced practitioner (AP) recruiting trends:

1. Based on the recruiting engagements AMN Healthcare is contracted to conduct, the *Review* indicates which types of physicians and APs are in the greatest demand and which are the most challenging to recruit.
2. The *Review* indicates the types of practice settings into which physicians and APs are being recruited (hospitals, medical groups, solo practice, etc.) and the types of communities that are recruiting them based on population size.
3. The *Review* indicates the types of financial and other incentives that are being used to recruit physicians and APs.

Each of these trends is discussed below, following an overview of the current market in which recruitment of physicians and APs is taking place.

The Current Physician and AP Recruiting Market: 7 Factors Driving Supply and Demand

During the height of the COVID-19 pandemic in 2020, the healthcare industry experienced an aberration to what had been the status quo in physician and AP recruiting. Demand for physicians and some APs declined. In 2020, AMN Healthcare/Merritt Hawkins saw a 30% year-over-year decrease in physician and AP search engagements.

Today, the status quo has been restored and demand for physicians and APs is robust. Physician and AP supply and demand trends are being driven by a variety of factors that AMN Healthcare refers to as "The Seven Ps."

The “Seven Ps”

- 1. Population growth:** The U.S. population is projected to grow from 332 million people today to 423 million by 2050*
- 2. Population aging:** By 2034, there will be more seniors 65 and over in the U.S. than children 17 or younger, the first time this has occurred.* Older people visit a physician at three times the rate of younger people**
- 3. Provider aging:** 30% of physicians in active patient care are 60 or older, creating a looming “retirement cliff” in the physician workforce.***
- 4. Provider burnout.** Burnout among physicians was labeled a public health crisis by the Harvard T.H. Chan School of Public Health prior to COVID-19. Physician burnout, turnover and vacancies were further driven by the pandemic.
- 5. Pervasive ill-health:** 6 in 10 U.S. adults have a chronic medical condition such as diabetes or lung disease, while 4 in 10 have two or more. **
- 6. Pipeline problems:** Federal funding for physician training was capped in 1997 and has been limited since, restricting the number of new physicians.
- 7. Practice styles:** Many physicians are embracing practice styles such as part-time, locum tenens, employment and non-clinical roles that reduce overall full-time-equivalents (FTEs).

*U.S. Census Bureau

**Centers for Disease Control and Prevention (CDC)

***AMA Physician Master File

Growing Shortages, Longer Physician Appointment Wait Times

As a result of these factors, all of which pre-dated COVID-19, the Association of American Medical Colleges (AAMC) projects a shortage of up to 124,000 physicians by 2034, including up to 48,000 too few primary care physicians and up to 76,000 too few specialists.

Patients feel these shortages most directly when they seek to schedule physician appointments. AMN Healthcare/Merritt Hawkins’ 2022 *Survey of Physician Appointment Wait Times and Medicare and Medicaid Acceptance Rates* indicates that the average wait time to schedule a new patient physician appointment has increased by 8% since 2019 and by 24% since 2004, the first year the survey was conducted.

Physician appointment wait times can be lengthy even in metropolitan areas with relatively high physician-to-patient ratios:

AVERAGE PHYSICIAN APPOINTMENT WAIT TIMES BY METRO AREA/SELECT SPECIALTIES		
METRO AREA	SPECIALTY	AVERAGE APPOINTMENT WAIT TIME
Portland	Cardiology	49 days
Minneapolis	Dermatology	72 days
Philadelphia	OB/GYN	59 days
San Diego	Orthopedic surgery	55 days
Boston	Family Medicine	50 days

Source: AMN Healthcare/Merritt Hawkins 2022 Survey of Physician Appointment Wait Times and Medicare and Medicaid Acceptance Rates

A New “Front Door” to the Healthcare System

The difficulty many patients have accessing medical services has created an opportunity for organizations that have not traditionally been active in significant levels of physician and AP recruiting. These organizations are developing models of care intended to improve patient access and to enhance patient experience. All of them now actively recruit a growing number of physicians and APs.

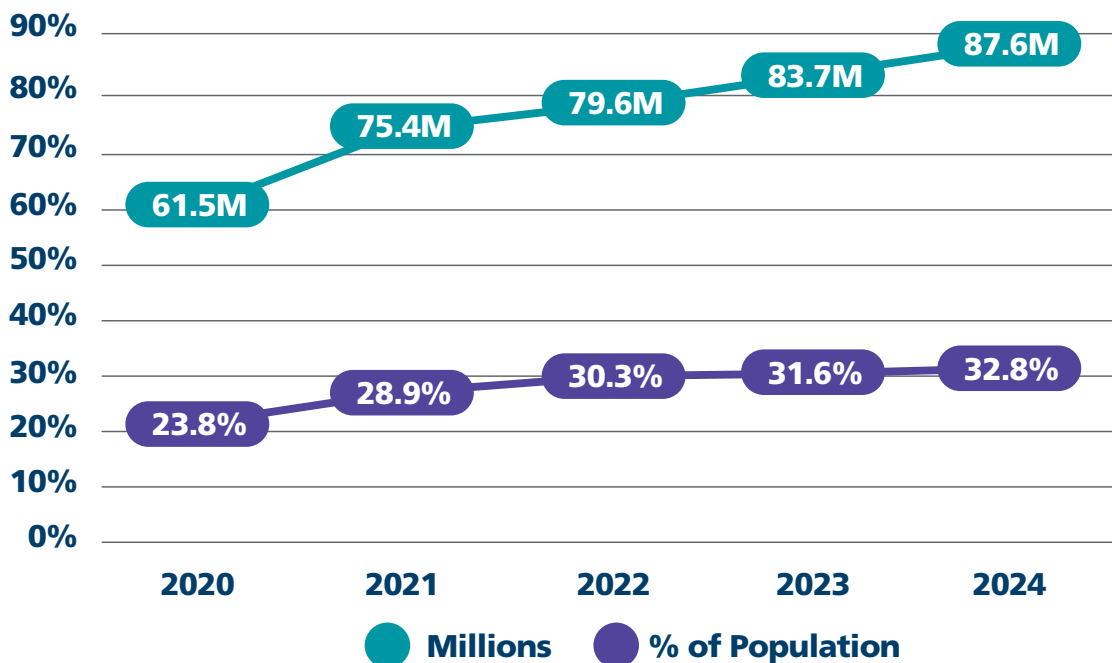
Retail Chains

Retail organizations are ramping up their efforts to become healthcare’s new “front door.” CVS/Aetna plans to open 1,500 HealthHubs that will treat episodic to chronic care, offering everything that patients would typically see in a physician’s office. Walgreen’s purchased Village MD’s 250 locations and 2,500 clinicians to provide similar services under the “Walgreen’s Health” banner, while Amazon purchased One Medical and its 188 clinic locations.

These efforts to reshape how patients access care appear to be bearing fruit. In 2021, 154.8 million U.S. adults, or 59.3% of the population, received in-person care at a primary care practice at least once. That number decreased slightly to 58.9% in 2022 and is projected to drop to 57.9% in 2023 and to 56.9% in 2024 (*Primary care practices lose patients to alternative sites of care. Insider Intelligence, Dec. 1, 2022*).

By contrast, 61.5 million U.S. adults, or 23.8% of the population, received in-person care at a retail health clinic in 2021. That number spiked to 79.6 million adults, or 30.3% of the population, in 2022. It is projected to rise to 87.6 million adults, or 32.8% of the population, in 2024, according to Insider Intelligence’s *Healthcare Patients by Walk-in Facility Forecast*.

RETAIL CLINIC ADULT PATIENTS, US, 2020-2024



Note: ages 18+ who visited retail clinics in-person at least once during the calendar year, including CVS Minute Clinic, Walgreens Healthcare Clinic, Krogers’ The Little Clinic, Walmart Care Clinics, etc.
 Source: *Primary care practices lose patients to alternative sites of care. Insider Intelligence, Dec. 1, 2022*

The trend is clear: more patients, particularly younger patients, are accessing care at retail clinics while fewer are accessing care at primary care physician offices.

Urgent Care Centers

The number of urgent care centers also continues to expand nationwide, catering to increased consumer demand for convenience. Urgent care center utilization was up 1,725% from 2007 to 2016, outpacing emergency department (ED) utilization seven-fold (*Healthcare Indicators and Medical Price Index. FairHealth. March, 2018*).

More adult patients turned to urgent care clinics in 2022 (95.9 million patients, or 36.5% of the population) than they did in 2020 (89.3 million, patients, or 34.5% of the population). This is projected to increase to 98.2 million adult patients in 2024, or 36.7% of the population (*Primary care practices lose patients to alternative sites of care. Insider Intelligence, Dec. 1, 2022*).

Both retail clinics and urgent care centers offer same-day appointments, and many have online tools that enable patients to check prices, verify insurance eligibility and schedule visits. Venues providing convenient care gained patient trust during the pandemic, when many patients turned to them for COVID testing and vaccinations. It is doubtful these patients will return to traditional delivery models, given that 92% of consumers indicate that convenience is the most important factor when choosing their primary care provider. (*CVS' 2022 Health Care Insights study*).

Telehealth Platforms

Telehealth providers also offer convenient care. Their popularity grew rapidly during the pandemic, when many patients avoided in-person care and turned to telehealth for the first time. According to the Chartis Group, only 8% of patients used telehealth pre-pandemic, compared to 69% who have used it since. The U.S. Department of Health and Human Services (HHS) reports that 5% of physician claims to commercial payors now are for telehealth.

Telehealth platforms such as Teladoc, Amwell, Doctor on Demand and others are likely to expand market share, assuming that Medicare and other payors continue to reimburse for a wide range of telehealth services.

Private Equity Companies

Between 2019 and 2022, there was a 9% increase in the number of hospital-owned physician practices. In the same time frame, there was an 86% increase in the number of corporate-owned physician practices. (*COVID-19's Impact on Acquisitions of Physician Practices and Physician Employment. Physicians Advisory Institute April 2022*). The acquisition of physician practices by private equity companies accelerated during the pandemic when many private practices groups were seeking additional financial resources.

Private equity firms spent \$206 billion on 1,400 healthcare acquisitions in 2021 and have invested \$1 trillion on 8,000 healthcare acquisitions in the last decade (*Sick Profit: Investigating Private Equity's Stealthy Takeover of Healthcare. Kaiser Health News. November 14, 2022*). Many of these acquisitions were of high revenue-generating specialties, such as gastroenterology, dermatology, urology and others.



Physicians Drive Revenue

The revenue-generating potential of physicians is captured in AMN Healthcare's 2023 Physician Billing Report, which tracks annual billing by physicians in 18 medical specialties to commercial payors. The annual average for all specialties tracked in the report is \$3.8 million, though billing varies by specialty:

AVERAGE ANNUAL PHYSICIAN BILLING BY SPECIALTY TO COMMERCIAL PAYORS	
1. General Surgery	\$11,669,016
2. Orthopedic Surgery	\$9,809,514
3. Critical Care (Intensivist)	\$6,677,319
4. Urology	\$5,886,763
5. Gastroenterology	\$5,530,221
6. Otolaryngology	\$4,190,555
7. Obstetrics/Gynecology	\$3,761,777
8. Rheumatology	\$3,410,281
9. Cardiology	\$3,406,027
10. Anesthesiology	\$3,329,020

Source: Physician Billing Report. AMN Healthcare. 2023

These amounts do not include billing to Medicare and other government payors, which could significantly increase the billing averages for some specialties. Given a collection rate of 50% or even less, most physicians generate millions of dollars in revenue per year and continue to control how much of the healthcare dollar is spent.

Insurance Companies

In the last several years, insurance companies have expanded their role as healthcare providers and now employ physicians in large numbers. Through its Optum physician network with its 1,400 clinics, UnitedHealth employs or is affiliated with over 60,000 physicians and is seeking many more.

Insurance companies may be less interested in the revenue-generating potential of physicians than some physician employers and more interested in their ability to enhance prevention and general patient health. By focusing on prevention and population health management, physicians can reduce overall utilization and thereby decrease the number and acuity of claims made to private insurers.

Physicians and APs Are the Key

Whether a healthcare delivery model is based on convenience, revenue generation or utilization reduction, physicians and APs are key to making the model work. The market disruptors described above are adding to the competition for these providers, which already was strong among traditional employers such as hospitals and medical groups.

As a result, the market is highly favorable for physicians and APs seeking practice opportunities offered not just by hospitals and medical groups, but by retail outlets, urgent care centers, telehealth platforms, insurance companies and a growing number of other entities.

Workforce Volatility is the X Factor

The physician shortages referenced above preceded the pandemic and have been widespread for a number of years. What is new is the alarming degree of volatility among physicians and other healthcare professionals. As competition for their services has escalated, so has worker burnout, which is not subsiding even though the COVID-19 emergency has officially ended. The resulting turnover among medical staff has become a key driver of physician recruitment.

According to the Association of Advancing Physician and Provider Recruitment's (AAPPR) *Physician and Provider Recruitment Benchmarking Study*, 48% of all physician searches in 2021 were to replace departing physicians. This is up by 16% since 2018. One-third of physicians (33%) cited burnout as the reason for leaving their organizations. (*Report Finds Physician Shortage on the Rise as Burnout Continues to Drive Turnover. AAPPR Press Release. Oct. 18, 2022*).

The Center for Medicare and Medicaid Services' (CMS) Physician Fee Schedule Final Rule/2023 did not improve the mood of many physicians. The new rule reduced the Relative Value Unit (RVU) conversion factor to \$33.8, a 2.1% decrease from the previous year. After the risks that many physicians ran during the pandemic, and the additional stress they were subjected to, many felt that CMS' fee reduction was inappropriate, deflating and an additional reason to reassess their career paths.

Employers of Choice

Physician burnout and turnover are part of a larger societal movement in which workers of all kinds are reassessing where, when and how they work, with many choosing to find new places of employment, leave their current profession, or retire. The so-called "Great Resignation" has caused many employers to reassess how they engage with their workforce and to put an increased emphasis on retention.

Retention has become a particularly important issue for those physician and AP employers who are contesting for a limited number of providers. Given current market conditions, it is incumbent on hospitals, medical groups and other healthcare organizations to become an "employer of choice," offering the types of incentives and practice conditions most likely to both retain current providers and attract new ones. (For additional information on this topic, see the AMN white paper *10 Keys to Physician Retention*).

Findings from the 2023 *Review* offer data that may be useful in creating competitive physician and AP recruiting programs that also support enhanced provider retention.





2023 Incentive Review: Findings and Metrics

Based on a national sample of recruiting engagements, AMN Healthcare's *Review of Physicians and Advanced Practitioners* indicates which types of physicians and advanced practitioners are in the greatest demand.

NPs Number One for the Third Consecutive Year

For the third consecutive year, AMN Healthcare conducted more search engagements for nurse practitioners (NPs) than for any other type of physician or AP. Demand for NPs has been rising sharply in recent years, as the chart below indicates:

NUMBER OF AMN HEALTHCARE NP SEARCH ENGAGEMENTS BY YEAR						
2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
420	405	335	270	169	205	137

The Expanding Role of NPs

More than 36,000 NPs completed their training last year, greater than the total number of physicians in all specialties who completed residency programs. The number of NPs is expected to grow by 46% from 2021 to 2031 (*5 Key Healthcare Trends Affecting Nurse Practitioners in 2023. HealthLeaders. Feb. 6, 2023*).

The rapid expansion of the NP workforce, which now includes 355,000 professionals, has been critical to ameliorating the physician shortage. In its 2021 report *The Complexities of Physician Supply and Demand*, the Association of American Medical Colleges (AAMC) noted that its projection of 124,000 too few physicians by 2034 would have been higher without the growing contributions of both NPs and PAs.

As was referenced above, convenient care venues such as retail clinics, urgent care centers and telehealth platforms built their delivery models around NPs and PAs before expanding into physician-based services. These venues continue to be active in AP recruiting.

A Rural Healthcare Resource

Nearly 100 million people live in federally designated Healthcare Professional Shortage Areas (HPSAs) for primary care. Primary care shortages are most pronounced in rural areas, where 130 hospitals have closed in the last decade. A 2022 study noted that NPs represent more than 25% of primary care providers in rural areas, up 17.6% since 2008. The percentage is higher in those 26 states allowing NPs Full Practice Authority (FPA). By contrast, the percentage of physicians practicing in rural areas declined by 12.8% over the same period (*5 Key Healthcare Trends Affecting Nurse Practitioners in 2023. HealthLeaders. Feb. 6, 2023*).

NPs a Key to Mental Health

Growing mental healthcare challenges in the U.S. have been the subject of widespread media attention, particularly since the pandemic exacerbated the need for mental health professionals. Today, more than 158 million people live in a mental health HPSA – approximately half the population.

NPs are taking a larger role in addressing demand for mental health services. Close to 100 new psychiatric NP programs have been added to U.S. schools of nursing in the past 10 years, producing more than 13,000 new providers, according to the American Association of Colleges of Nursing Enrollment and Graduation Reports 2012-2022.

The number of NPs treating Medicare beneficiaries for psychiatric and mental health conditions grew 162% from 2011 to 2019, compared to a 6% decrease in the number of psychiatrists treating Medicare patients (*5 Key Healthcare Trends Affecting Nurse Practitioners in 2023. HealthLeaders. Feb. 6, 2023*). Without the growing contributions of NPs, the shortage of mental health professionals would be even more pronounced.

NPs Also Drive Revenue

Like physicians, NPs are direct drivers of revenue to their practices and employers. AMN Healthcare's 2023 *Physician Billing Report* tracks annual billing submitted by NPs to commercial payors.

BILLING SUBMITTED BY NPS TO COMMERCIAL PAYORS		
25 TH PERCENTILE	50 TH PERCENTILE	75 TH PERCENTILE
\$453,880	\$777,393	\$1,311,922

These numbers would be higher if billing to Medicare and other government payors were included.

As the number of states granting NPs FPA continues to grow, the role of NPs – and demand for their services – will increase correspondingly.

Primary Care Physician Shortages Continue

While NPs and PAs are playing a growing role in providing primary care, they have reduced but have not eliminated the shortage of primary care physicians, who include family medicine physicians, internal medicine physicians and pediatricians.

There were 14,193 residents training in family medicine programs in the 2021-22 school year – an increase of 15% over the previous three years, according to the Accreditation Council for Graduate Medical Education. These residents will not be enough to eliminate the shortage of 17,000 primary care physicians that the Healthcare Resources and Services Administration (HRSA) indicates exists today. Even with the recent increase in the number of family medicine residents, the AAMC projects a shortage of up to 48,000 primary care physicians by 2034.

Family Medicine Still Second on Top 20 List

The number of family medicine search engagements AMN Healthcare conducted in 2022/23 (279) was virtually the same as the previous year (280). Family medicine remained our second most requested type of search for the third consecutive year.

Demand for internal medicine physicians also held steady, with 130 search engagements this year compared to 133 in 2021/22. Demand for pediatricians declined YOY, from 53 search engagements in 2021/22 to 37 this year.

While demand for primary care physicians has declined from its peak in 2015, when AMN Healthcare/Merritt Hawkins conducted 730 searches for family physicians, primary care physicians remain an essential component of value-based delivery models and models based on population health management.

In these models, primary care physicians are the quarterbacks of the care delivery team, ensuring tasks are allocated appropriately and resources are managed efficiently. Rather than focus on individual transactions, these models promote disease prevention and the care of large population groups. The principles of value-based care and population health management cannot be applied without a robust network of primary care doctors.

These principles include continuity of patient care, which is vital to achieving better outcomes and to ensuring population health. Care continuity will become even more important as a result of COVID-19, since the pandemic will require more patient monitoring, more care coordination and therefore more primary care physicians.

Specialty Physicians and An Aging Population

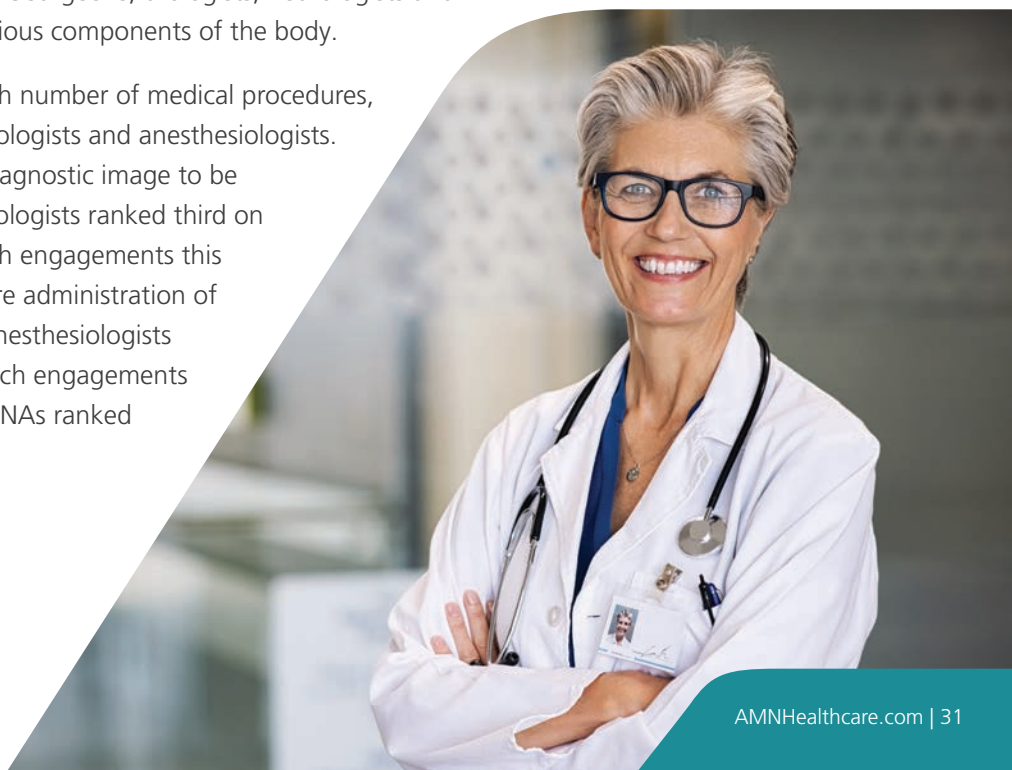
Close to two-thirds (64%) of AMN Healthcare's search engagements during the 2022/23 *Review* period were for specialist physicians, the same number as last year.

According to the Centers for Disease Control and Prevention (CDC), patients 65 and older account for close to 40% of medical tests and procedures though they represent only 15% of the population.

As the population ages, a growing number of specialists are required to address the consequences of aging hearts, lungs, bones and other organ systems and body parts. Aging is the primary driver of growing demand for cardiologists, gastroenterologists, pulmonologists, orthopedic surgeons, urologists, neurologists and other physicians who specialize in treating various components of the body.

Because older people generate a relatively high number of medical procedures, population aging also drives the need for radiologists and anesthesiologists.

Virtually every medical procedure requires a diagnostic image to be read by a radiologist, which explains why radiologists ranked third on AMN Healthcare's list of most requested search engagements this year. Similarly, most medical procedures require administration of anesthesia by an anesthesiologist or CRNA. Anesthesiologists ranked fifth on our list of most requested search engagements this year. Combined, anesthesiologists and CRNAs ranked third on the list.



Access to OB/GYNs Problematic

Obstetrician/Gynecologists ranked 4th on the list of AMN Healthcare's most requested search engagements this year, up from 5th last year.

Access to OB/GYNs can be problematic for many women. Half of counties in the U.S. lack an OB/GYN and more than 2.2 million women of childbearing age live in maternity care deserts with no hospitals offering obstetric care, obstetric providers, or birthing centers, according to the nonprofit maternal health organization March of Dimes. More than 89 obstetric units closed in rural hospitals between 2015 and 2019, according to the American Hospital Association, indicating that access to OB/GYN services already is limited in many areas. AMN Healthcare/Merritt Hawkins' 2022 *Survey of Physician Appointment Wait Times* indicates that the average time needed to schedule an OB/GYN appointment in 15 major metropolitan areas is 31.4 days, up 17% from 2017. Starting salaries for OB/GYNs as tracked in the Review were up 10.5% year-over-year, suggesting robust demand for the specialty.

Facilities Turning to Non-Psychiatrist Healthcare Professionals

Psychiatry was AMN Healthcare's sixth most requested search engagement in the 2023 *Review* period, down from fourth last year. However, this does not necessarily indicate that demand for psychiatrists is declining. COVID-19 exacerbated pervasive mental health problems in the U.S. and further restricted access to psychiatrists and other mental healthcare professionals.

To determine the scope of the problem, researchers at the Virginia Tech Carilion School of Medicine examined general psychiatry outpatient availability during the pandemic in five states – New York, California, North Dakota, Virginia and Wyoming. They found that only 18.5% of psychiatrists in these states were available to take new patients. The median wait time for an in-person appointment was 67 days (*U.S. Psychiatrist Shortage Causing Months-Long Wait Times. Medscape. May 24, 2023*).

Due to a dearth of psychiatrists, some healthcare facilities are turning to other types of mental healthcare professionals to fill their mental healthcare needs, including psychologists and NPs. AMN Healthcare continues to field a growing number of requests for these both these types of professionals.



For well over 10 years, AMN Healthcare/Merritt Hawkins has been noting in its *Reviews* the critical shortage of psychiatrists nationwide, which is examined in more detail in our white paper *Psychiatry: The Silent Shortage*.

Specialists Lead in “Absolute Demand?”

AMN Healthcare determines demand for physicians and APs in part by tracking the number of search engagements we conduct for various types of providers. Prior to the 2021 *Review*, we conducted more search engagements for family physicians than for any other type of provider for 14 consecutive years.

It is to be expected that specialties that have a comparatively high number of practicing physicians, such as family medicine, will generate a comparatively high number of search engagements. But how does the picture look if specialties are ranked by number of search engagements/job openings as a percent of all active providers in a given specialty, or by what AMN Healthcare calls “Absolute Demand?”

The list below ranks demand for physicians, NPs and CRNAs in this manner.

2023 AMN HEALTHCARE TOP 20 SEARCH ENGAGEMENTS AS A PERCENT OF ALL PROVIDERS IN VARIOUS SPECIALTIES (PATIENT CARE ONLY)	
1. Pulmonology	11. Dermatology
2. Gastroenterology	12. Neurology
3. Hematology/Oncology	13. Endocrinology
4. Urology	14. Family Medicine
5. Radiology	15. Orthopedic Surgery
6. Rheumatology	16. Nurse Practitioner
7. Cardiology	17. Hospitalist
8. Psychiatry	18. Pediatrics
9. Anesthesiology	19. CRNA
10. Obstetrics/Gynecology	20. Internal Medicine

Ranked by Absolute Demand, pulmonologists were the most in-demand type of provider during the 2023 *Review* period. By contrast, only one type of primary care physician (family medicine) was in the top 20, ranking at a relatively low 14. By this standard, it can be argued that specialist physicians now are more highly sought after than are primary care physicians.

Types of Healthcare Facilities Currently Recruiting Physicians

Following is a review of the types of settings into which AMN Healthcare recruited physicians during the 2023 *Review* period.

Hospitals

Thirty-five percent of AMN Healthcare’s search engagements conducted over the 2023 *Review* period were for hospital settings, up marginally from 34% the previous year.

While most hospitals remain active in physician and AP recruiting, the combined effects of the pandemic and inflation have created financial challenges that may inhibit their physician and AP recruiting initiatives. According to Kaufman Hall’s March 2023 *National Hospital Flash Report*, hospital median margins were -1.1% in February of this year, indicating hospitals often are operating in the red.

Many hospitals are seeking improved revenue streams by shifting to outpatient services. According to the Kaufman Hall report, “The onset of the COVID-19 pandemic kickstarted a shift in patient behavior that continues today. Patients continue to seek more of their care away from inpatient settings. This is illustrated in outpatient revenues continuing to grow in early 2023.”

In a survey conducted by the Healthcare Financial Management Association (HFMA) and Guidehouse, 95% of health leaders expect outpatient volumes at their facilities will increase in 2023, with 40% expecting increases of 10% or more. By contrast, 40% expect inpatient volumes to drop (*Outpatient Volumes to Increase in 2023. Becker's CFO Report. March 9, 2023*)

Today, hospitals are competing with convenient care venues such as retail clinics and urgent care centers by expanding outpatient services and must recruit accordingly.

Close to 90% of those surveyed by HFMA/Guidehouse said they would hire more APs in 2023 because of the anticipated increase in outpatient care, while 80% said they would recruit more behavioral health providers. Health leaders also indicated that digital care would see their biggest budget increase this year, suggesting that telehealth providers will continue to be in strong demand.

Financial pressures also have caused some hospitals to close down or limit services lines that produce relatively little revenue, including pediatrics, to make room for more adult patients. Pediatric inpatient units in the U.S. fell by nearly 20% from 2008 to 2018, the most recent year for which data is available, while a number of hospitals in recent months have announced plans to end pediatric services (*As Hospitals Close Children's Units, Where Does That Leave Lachan? New York Times. October 11, 2022*). Hospital recruitment of pediatricians therefore may be expected to decline, while recruitment of gastroenterologists, urologists, orthopedic surgeons and other high revenue generating physicians is likely to remain robust.

Academic Medical Centers

Thirty-one percent of AMN Healthcare's search engagements tracked in the 2023 *Review* were conducted for Academic Medical Centers (AMCs), down slightly from 34% last year, but up significantly from 11% six years ago. Sixty-two percent of these assignments were for clinical faculty positions, 37% were for leadership/administrative positions, and 1% were for research faculty positions.

AMCs are hospitals that provide patient care and also educate healthcare providers in partnership with at least one of the 145 US medical schools accredited by the Liaison Committee on Medical Education (LCME) or the American Osteopathic Association (AOA). At AMCs, education, research, and clinical care are combined to provide the best care possible, using cutting-edge technologies, resources and therapies other hospitals may not have available. They are also often considered to be tertiary care centers, because of their ability to treat a full range of complex conditions, in many cases by providing subspecialty care.

The large number of search engagements AMN Healthcare conducts for AMCs reflects the growing shortage of providers interested in practicing in these settings. After a rapid expansion of medical schools beginning in 2005, AMCs are further expanding to accommodate a growing number of residency positions. Through 2020 COVID-19 relief, federal funding was provided for 1,000 new residency positions nationwide. State and private funding also is driving funding for new residency positions. In 2023, 40,375 positions were offered, an all-time high, and up by 1,170 positions from 2022, according to the National Residency Matching Program (NRMP).



While expanding their role as medical educators and research centers, AMCs also have experienced increases in demand for clinical services as they are typically hubs for specialized care in their service areas. This proved to be particularly true during the height of the pandemic and has continued as pandemic caused delays increased patient acuity.

In addition, many AMCs are growing their community clinic programs, expanding their primary care footprint beyond the main campus in an effort to decrease high-cost healthcare utilization and provide increased availability of services to the communities they serve. Below are AMN Healthcare's top five most requested AMC search engagements:

AMN HEALTHCARE TOP 5 MOST REQUESTED AMC SEARCH ENGAGEMENTS
1. Anesthesiology
2. Radiology
3. Family Medicine
4. Hematology/Oncology
5. CRNA

Demand for anesthesiologists, CRNAs and radiologists underscores the growing role of AMCs as clinical care providers and the rising number of medical procedures performed at AMCs, almost all of which require radiology and anesthesiology.

The level of staffing needed to conduct the volume of procedures now being performed at AMCs has outpaced their ability to recruit and retain providers. In addition, coverage needs have expanded into evenings, weekends, and non-operating-room-anesthesia sites in order to keep up with volume. Anesthesiologists, radiologists and other types of physicians are retiring at a faster rate than graduating residents can replace them, further exacerbating shortages. Contracts offered to these specialists by AMCs typically still include 20% administrative time, but the high volume of cases that must be completed on a daily basis often preclude them from using their allotted time.

Radiology and anesthesiology are difficult to fill searches on behalf of AMCs given high patient acuity, high demand, and the fact that AMCs rarely can match the compensation offers made by other settings, as the numbers below suggest:

AVERAGE STARTING SALARY OFFERS/RADIOLOGY	
2022/23 (all positions)	\$472,000
2022/23 (non-academic)	\$481,000
2022/23 (academic)	\$424,000
AVERAGE STARTING SALARY OFFERS/ANESTHESIOLOGY	
2022/23 (all positions)	\$450,000
2022/23 (non-academic)	\$496,000
2022/23 (academic)	\$397,000

AMCs often are at a competitive disadvantage when it comes to compensation offers. Consequently, many AMCs have increased their salary offers to get closer to non-academic averages, though significant gaps still exist.

AMCs Competing With Locum Tenens

Competition with non-AMCs has risen as private groups and hospitals, having laid off physicians during the COVID-19 pandemic, are renewing their search efforts to address amped up demand. Some of these groups have been more agile than

AMCs in implementing telemedicine, an option that is attractive to many candidates. Non-academic facilities expect physicians to see a high volume of patients but are paying commensurately, putting pressure on AMCs to enhance their incentives and overall recruiting positions.

AMCs are responding in part by engaging in large scale recruiting initiatives for ten or more high-demand specialties simultaneously. Some AMCs are transitioning to virtual interview platforms, significantly improving the efficiency and turnaround of the search process to gain a competitive advantage, while others are reassessing their incentive packages.

A complicating factor for AMCs and other facilities is that more potential candidates are working on a temporary, locum tenens basis, leaving fewer candidates to fill permanent positions. This is particularly apparent with CRNAs, many of whom have adopted locum tenens practice, making it more difficult to recruit these in-demand anesthesia providers for permanent AMC positions.

Diversity, Equity and Inclusion (DEI)

Achieving DEI remains a top priority for AMCs and many other healthcare organizations. Because standard recruiting methodologies may not always identify quality candidates who are underrepresented in medicine (URiM), AMN Healthcare maintains sustainable URiM clinical pipeline strategies through the former AMC Chairs and Vice Chairs on our Academic recruiting team.

Medical Groups

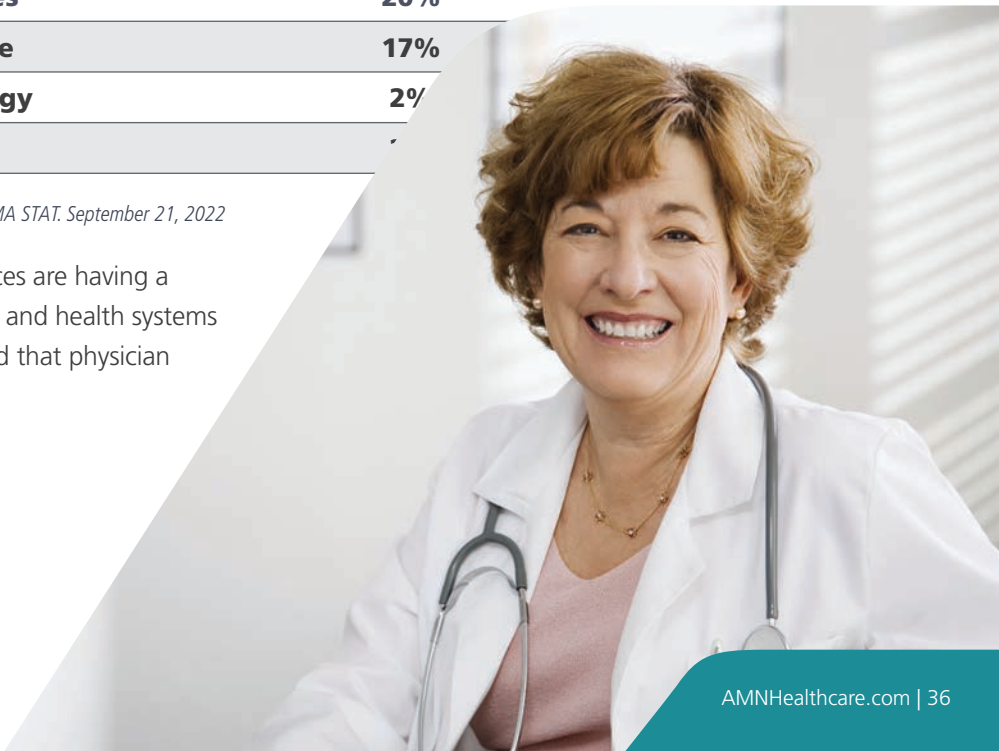
Twenty-four percent of AMN Healthcare’s search engagements tracked in the 2023 *Review* were conducted for medical groups, up from 18% the previous year. The same market conditions driving hospitals to recruit physicians and APs apply to medical groups.

A recent survey by the American College of Healthcare Executives (ACHE) found that personnel shortages are the number one concern of hospital CEOs, supplanting financial challenges for the first time in 19 years. Similarly, a survey of medical group managers conducted by the Medical Group Management Association (MGMA) found that staffing is the number one challenge of medical group managers.

TOP CHALLENGES OF MEDICAL GROUP MANAGERS	
Staffing	58%
Expenses	20%
Revenue	17%
Technology	2%
Other	-

Source: Staffing Still the Biggest Challenge for Practices. MGMA STAT. September 21, 2022

The survey notes that independent group practices are having a difficult time competing for talent with hospitals and health systems that can offer higher compensation. It also found that physician



burnout and turnover are particularly difficult challenges for medical groups, with four in ten groups reporting they had a physician leave or retire early in 2022 due to burnout.

It can be expected that staffing and financial challenges will further drive consolidation of independent physician practices with larger entities such as hospitals or equity groups as corporatization of healthcare continues.

Federally Qualified Health Centers (FQHCs)

Five percent of AMN Healthcare's search engagements tracked in the 2023 *Review* were conducted for Federally Qualified Health Centers/Community Health Centers or Indian Health facilities, down from 8% last year.

FQHCs offer a primary care, behavioral health and dental care safety net for all patients regardless of their ability to pay. FQHCs are supported by both sides of the political aisle, and federal funding is regularly approved to support them.

As long as funding is available, FQHCs will play a vital role in providing care for traditionally underserved populations and will continue to be active in the recruitment of primary care physicians, behavioral health professionals and dental professionals.

Solo Practice/Partnerships/Concierge

Two percent of AMN Healthcare's search engagements tracked in the 2023 *Review* were conducted for solo practices, partnerships or concierge practice settings, up from 1% last year.

These settings generally feature practice ownership, in which physicians are being recruited to set up their own solo practice or to join another physician as an owner/partner in a private practice. In some cases, these may be concierge/direct pay practices in which physicians contract directly with patients, bypassing third party payers, though not all concierge practices feature practice ownership.

The Employed Physician Model is Dominant

Very few physicians today are being recruited into private practice settings. Of the search engagements AMN Healthcare conducted in the 2023 *Review* period, approximately 95% featured an employed arrangement, at least in the initial years of the contract. By contrast, in 2001, that number was only about 60%.

More than 108,000 physicians shifted from private practice to employment from January 2019 to 2021. About three in four physicians now are employed by hospitals, health systems, private equity owned groups, insurance companies or other corporate entities (*PAI – Avalere Health Report on Trends in Physician Employment and Acquisitions of Medical Practices 2019-2021*). The increasing costs of private practice, growing administrative and quality documentation requirements, and reimbursement challenges have made solo practice an untenable model for many physicians today.

Recruiting Not Limited to Rural Areas

Physician shortages, and, by extension, physician recruiting efforts, are often thought to be concentrated in smaller communities and rural areas. AMN Healthcare's 2023 *Review* underscores how this dynamic continues to change.

For the first 22 years that AMN Healthcare/Merritt Hawkins completed the *Review*, the number of search engagements we conducted in communities of 100,000 or more never exceeded 50%. That has not been the case over the last seven years (see chart below):

PERCENT OF AMN HEALTHCARE/MERRITT HAWKINS' SEARCH ENGAGEMENTS IN COMMUNITIES OF 100,000 OR MORE						
2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
71%	68%	67%	66%	66%	62%	55%

As these numbers indicate, during the 2023 *Review* period, close to three-fourths of AMN Healthcare's search engagements were for communities of 100,000 people or more.

AMN Healthcare worked for clients in all 49 states and the District of Columbia during the 2023 *Review* period, underscoring the national presence of physician recruiting needs and challenges.

Average Starting Salaries

AMN Healthcare's *Review* tracks the starting salaries offered to recruit physicians and APs, as well as other types of recruiting incentives.

Average starting salaries represent the base only and are not inclusive of bonuses or other incentives. This is in contrast to physician compensation numbers compiled by the Medical Group Management Association (MGMA), the American Medical Group Association (AMGA) and other organizations, which track overall average physician incomes rather than starting salaries.

AMN Healthcare's salary ranges are therefore indicators of the financial incentives needed to attract physicians and APs who are already established in a practice, or those coming out of training, to a practice opportunity, rather than indicators of physician and AP average incomes.

Starting Salaries in Primary Care Flat or Down

The 2023 *Review* indicates starting salary offers in primary care (family medicine, internal medicine, pediatrics) were flat or down year-over-year. Average starting salaries in family medicine increased slightly, from \$251,000 last year to \$255,000 this year, a 2% increase. This is the highest average starting salary for family medicine recorded by the *Review* for all position (academic and non-academic), indicating that demand for family physicians continues to be robust.

The average starting salary for family medicine physicians in academic settings was \$159,000 this year, down from \$163,000 the previous year. Family medicine is the only specialty tracked in the *Review* in which average starting salaries are higher in academic positions than in non-academic positions.

The average starting salary for internal medicine physicians was flat year-over-year at \$255,000. General internists play an important role in managing the care of older patients, many of whom have multiple chronic conditions, and demand for their services will grow as the population ages. They also are the most numerous physician specialty, but the supply of general internists is likely to diminish as more of them are choosing to subspecialize.

Starting salaries for pediatricians also were flat, up by less than one percent from \$232,000 last year to \$233,000 this year. As was referenced earlier, some hospitals are eliminating or cutting back on pediatric services, which may have an inhibiting effect on pediatrician salaries.

Starting Salaries for Specialists

Over the last several years, starting salaries for medical specialists as tracked by the *Review* have generally increased, though not always on a year-over-year basis. These increases have reflected the growing demand for specialty services driven by population aging and other factors as cited earlier.

COVID-19, however, led to the suspension of elective procedures and consequently had an inhibiting effect on starting salaries for most specialists tracked in the 2021 *Review*. In 2022 and 2023, by contrast, starting salaries for most specialists were up, even though AMN Healthcare conducted a relatively high percent of academic search engagements during those years, which can bring overall starting salary averages down. For example, the average starting salary for anesthesiologists in non-academic settings tracked in the 2023 *Review* was \$496,000, compared to \$397,000 for academic settings, for an overall average of

\$450,000.

As the numbers below indicate, average starting salaries increased in 13 out of 15 specialties tracked in the *Review* for which we have year-over-year comparisons (no comparison is available for endocrinology).

PHYSICIAN SPECIALISTS SEEING YEAR-OVER-YEAR AVERAGE STARTING SALARY INCREASES/DECREASES			
	2022/23	2021/22	INCREASE
Psychiatry	\$355,000	\$299,000	+19%
Dermatology	\$427,000	\$350,000	+16%
Anesthesiology	\$450,000	\$400,000	+12.5%
Orthopedic Surgery	\$633,000	\$565,000	+12%
Obstetrics/Gynecology	\$367,000	\$321,000	+10.54%
Hematology/Oncology	\$440,000	\$404,000	+9%
Gastroenterology	\$506,000	\$474,000	+7%
Urology	\$540,000	\$510,000	+6%
Rheumatology	\$273,000	\$257,000	+6%
Hospitalist	\$299,000	\$284,000	+5%
Radiology	\$472,000	\$455,000	+4%
Pulmonology/CriticalCare	\$418,000	\$412,000	+1.5%
DECREASE			
Cardiology (non-inv.)	\$433,000	\$484,000	-10%
Neurology	\$354,000	\$356,000	-1%

Year-over-year starting salary fluctuations may sometimes result if AMN Healthcare conducted an unusually large number of searches for a given specialty in a market where physician compensation is either atypically low or high. Fluctuations also may occur if market conditions change in a given specialty.

For example, dermatology average starting salaries increased by 22% from last year, which may be a result of patients returning from the pandemic lull and seeking out elective procedures.

The 19% increase in average starting salaries for psychiatrists reflects continued strong demand for this specialty, even though the number of psychiatry search engagements AMN Healthcare conducted declined year-over-year. Many healthcare facilities continue to be competitive in psychiatry recruitment even as they turn to other types of behavioral health specialists to address mental healthcare needs.

The 14% increase in average starting salaries for OB/GYNs may be tied to the constriction in OG/GYN supply referenced earlier in the *Review*. When the number of potential candidates in a given specialty is reduced, starting salary offers tend to increase.

Starting Salaries for NPs and CRNAs

The average starting salary for NPs during the 2023 *Review* period was \$151,000, up from \$138,000 last year, a 9% increase. Though starting salaries for NPs continue to climb, they still earn considerably less than physicians. As was referenced above, NPs generate revenue and continue to represent a good return on investment in an era when many

healthcare organizations are focusing on cost control.

The average starting salary for CRNAs tracked in the 2023 *Review* was \$218,000, up from \$212,000 last year, a 2% increase. For non-academic search engagements, the average CRNA starting salary was \$266,000, up from \$245,000 last year. Like NPs, CRNAs also generate revenue. According to AMN Healthcare's 2023 *Physician Billing Report*, CRNAs submit an annual average of \$1,750,281 in billing to commercial payors. Like NPs they represent a positive return on investment. CRNAs are particularly important in rural areas, where they represent approximately 80% of anesthesia providers (*The Relationship Between Rural Hospital Closures and NPs and CRNAs. Nursing Outlook. Nov-Dec 2021*).

Physician Contract Structures

Physicians typically are offered employment contracts that feature a starting base salary that can be supplemented through a production bonus. Sixty-two percent of the search engagements AMN Healthcare conducted in the 2023 *Review* period featured this type of contract structure, up slightly from 61% last year. An additional 32% featured a straight salary, down from 33% in 2022, while 4% featured an income guarantee, the same percent as last year.

Salaries with production bonuses are commonly offered by hospitals and medical groups, as an incentive to reward specific physician behaviors, such as volume of work performed or adherence to quality guidelines. The straight salary model is more frequently used by urgent care centers, FQHCs and academic settings.

AMN Healthcare has observed that fewer large medical groups are offering the salary with production bonus model than have done so in the past. For example, 75% of the contracts tracked in the 2017/18 *Review* featured a salary with production bonus, while only 17% featured a straight salary. Some medical groups have found that the straight salary model entails less ambiguity and is less likely to cause friction with physicians, and so have stopped offering production bonuses.

In addition, over the last several years AMN Healthcare has conducted a relatively high percent of searches for academic medical centers that typically do not offer the salary with production bonus model, which also may account for the decline in the use of this compensation structure noted in the *Review*.

Income guarantees, which are essentially loans that must be repaid (but may be forgiven over time) generally are used to establish physicians in solo or small independent practices. Income guarantees were once the standard contract model, but as the number of private practice settings has declined, so has the use of income guarantees.

Production Bonus Structures

Production bonuses determine the maximum income that physicians can potentially earn beyond their base salary. These bonuses are calculated using a variety of metrics, including:

- Relative Value Units (RVUs)
- Net Collections
- Gross Billings
- Patient Encounters
- Quality

All of these metrics, with the exception of quality, are volume driven. The more work units (RVUs)



physicians generate, the more net reimbursement they collect, the more gross billings they generate, or the more patients they see, the higher their bonus. Today, RVUs are the primary way that employers measure physician volume based productivity. RVUs were featured in 59% of physician employment contracts offering a salary and production bonus as tracked by the 2023 *Review*, up from 58% in 2022.

Net collections, also a volume-based metric, were featured in 20% of AMN Healthcare's recruiting engagements this year that offered a production bonus, down from 22% last year. Gross collections, another volume-based metric, were featured in 1% of recruiting engagements that offered a bonus, down from 5% last year.

The continued widespread use of RVUs (and to a lesser extent net collections and gross billings) illustrates the extent to which physician bonuses remain volume-based.

Quality Based Bonus Formulas Elusive

By contrast, 25% of contracts tracked in the 2023 *Review* that featured a production bonus included one or more quality metrics, such as patient satisfaction scores, readmission rates or others, down from 31% last year and down from 64% in the 2019/20 *Review*. It should be noted, however, that quality metrics are more prevalent in primary care physician contracts than they are in contracts for specialists. For example, 47% of the family medicine contracts offering a production bonus as tracked in the *Review* featured quality metrics. The overall average of 25% is reduced to some extent by the fact that the majority of the search engagements tracked in the *Review* (64%) are for specialists

Major initiatives have been made in recent years by both payors and healthcare organizations to steer physician payments toward quality metrics and away from volume-based formulas. The goal of finding the right compensation formula – one that rewards physicians for quality but also ensures they stay productive – has been elusive. Production-based formulas are relatively straightforward and remain common in physician contracts, while the *Review* indicates that the use of quality-based formulas is not generally advancing.

In instances where the production bonus includes quality metrics, the 2023 *Review* indicates that, on average, 14% of the physician's total compensation will be determined by quality, up from 11% in 2022. The 2023 *Review* therefore suggests that the impact of quality metrics on total physician compensation is increasing. However, the majority of income for many physicians, including those paid on quality, still is determined by their base salary and by volume driven production bonuses.

Signing Bonuses and CME

Signing bonuses were offered in 63% of the recruiting assignments AMN Healthcare conducted in the 2023 *Review* period, down from 92% the previous year, but virtually unchanged from 61% the year prior to that. The high number of search engagements that featured a signing bonus last year was likely an aberration and may have reflected the efforts of healthcare facilities to bring physicians back into the job market post-COVID-19.

Signing bonuses are a common recruiting incentive used by hospitals and medical groups and provide an additional impetus for candidates who may be considering multiple opportunities, offering an immediate, tangible reward that can separate one opportunity from another similar opportunity.

Signing bonuses offered to physicians tracked



in the 2023 *Review* averaged \$37,472, up from \$31,000 last year. Signing bonuses offered to NPs and PAs as tracked in the 2023 *Review* averaged \$8,355, down from \$9,000 last year.

Relocation Bonuses and Other Incentives

Certain other incentives, such as paid relocation, paid CME, health insurance and malpractice insurance are featured in the majority of AMN Healthcare's search engagements. Relocation allowances were offered in 62% of the recruiting engagements tracked in the 2023 *Review* period, down from 78% the previous year. Relocation allowances generally are not offered to candidates who will be practicing telemedicine and therefore not relocating, or to those who are recruited within their current place of residence.

The average relocation allowance offered to physicians as tracked by the 2023 *Review* was \$12,778, up from \$10,718 last year. The average relocation allowance offered to NPs and PAs this year was \$7,997, down from \$8,542, last year.

Virtually all of the incentive packages tracked by the 2023 *Review* (93%) offered a continuing medical education (CME) allowance. The average CME allowance for physicians tracked in the 2023 *Review* was \$3,840, up from \$3,691 last year. The average CME allowance for NPs and PAs was \$2,299, up from \$2,537 last year.

Medical Education Loan Repayment

Eighteen percent of Merritt Hawkins' search engagements tracked in the 2023 *Review* featured medical education loan repayment, up from 16% the previous year. Educational loan repayment entails payment by the recruiting hospital or other facility of the physician's medical school loans in exchange for a commitment to stay in the community for a given period of time. This can be an effective incentive since average medical school debt now is approximately \$200,000, according to the Association of American Medical Colleges (AAMC).

The average amount of loan forgiveness offered to physicians as tracked in the 2023 *Review* was \$98,665, down slightly from \$101,572 last year. The average amount of loan forgiveness offered to NPs and PAs was \$70,769, up from \$55,950 last year. In 5% of contracts featuring educational loan forgiveness, the term of forgiveness was one-year, while 11% featured two-year





Conclusion

Longstanding demographic and population health trends – combined with healthcare professional burnout – are creating an imbalance between demand for physicians and advanced practitioners (APs) and the available supply, leading the Association of American Medical Colleges (AAMC) to project a shortage of up to 124,000 physicians by 2034.

A growing number of market disruptors, including retail clinics, urgent care centers, telehealth platforms, insurance companies and private equity groups, are competing with hospitals and medical groups for a limited number of providers. The result is a highly competitive recruiting market in which starting salaries offered to physicians and APs are typically increasing.

AMN Healthcare's 2023 *Review of Physician and Advanced Practitioner Recruiting Incentives* indicates that demand is particularly strong for nurse practitioners (NPs) who were first on our list of most requested recruitment engagements for the third consecutive year. Demand also is strong for radiologists, anesthesiologists, gastroenterologists, psychiatrists, urologists, orthopedic surgeons and other specialists who are required to meet the growing health needs of an aging population.

In addition to salaries, healthcare facilities are offering physicians and APs a range of other recruiting incentives, including signing bonuses, production bonuses, continuing medical education allowances, relocation allowances and medical education loan forgiveness. These incentives, as well as a positive practice environment, are key to recruiting and retaining physicians and APs in today's rapidly evolving healthcare market.

For additional information about AMN Healthcare's Physician Solutions services, white papers, speaking presentations or related matters, visit [AMNHealthcare.com](https://www.AMNHealthcare.com), or call **800-876-0500** or email physiciansolutions@amnhealthcare.com

