



## 2008 REVIEW OF PHYSICIAN AND CRNA RECRUITING INCENTIVES



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## **SUMMARY REPORT 2008 REVIEW OF PHYSICIAN AND CRNA RECRUITING INCENTIVES**

### **OVERVIEW**

Merritt Hawkins & Associates is a national health care search and consulting firm specializing in the recruitment of physicians in all medical specialties, as well as select allied health professionals. Established in 1987, Merritt Hawkins & Associates is a division of AMN Healthcare (NYSE: AHS) the nation's largest health care staffing organization and the largest nationwide provider in all four of its business lines; travel nurse staffing, locum tenens staffing, physician permanent placement services and allied healthcare professional staffing.

This report marks Merritt Hawkins & Associates' 15<sup>th</sup> annual review of the search and consulting assignments we conduct on behalf of our clients.

The 2008 review is based on 3,146 physician, certified registered nurse anesthetist (CRNA) and select allied professional search and consulting assignments that Merritt Hawkins & Associates was engaged to conduct during the 12 month period from April 1, 2007 to March 31, 2008.

The intent of the Review is to quantify financial and other incentives offered by our clients to physician and CRNA candidates during the course of recruitment. The range of incentives detailed in the Review may be used as one benchmark for evaluating which recruitment incentives are customary and competitive in today's physician and CRNA job market. The review is based on a national sample of search assignments and provides an indication of which medical specialties are currently in the greatest demand.

All of the following numbers are rounded to the nearest full digit.

#### ***Total Number of Physician and CRNA Search Assignments Represented:***

<u>2007/08</u>	<u>2006/07</u>	<u>2005/06</u>	<u>2004/05</u>
3,146	3,016	2,840	2,687

***Medical Settings of Physician Search Assignments***

	<u>2007/08</u>	<u>2006/07</u>	<u>2005/06</u>	<u>2004/05</u>
Hospital	1,416 (45%)	1,297 (43%)	654 (23%)	510 (19%)
Group	1,170 (37%)	1,058 (35%)	1,136 (40%)	1,290 (48%)
Solo	159 (5 %)	244 (8 %)	483 (17%)	492 (18%)
Partnership	226 (7%)	238 (8%)	454 (16%)	242 (9%)
Association	29 (1%)	99 (3%)	28 (1%)	48 (2%)
Other	134 (4%)	74 (2%)	85 (3%)	105 (4%)
HMO	12 (1%)	6 (1%)	0 (0%)	0 (0%)

***Forty-eight States Where Search Assignments Were Conducted***

AK, AL, AR, AZ, CA, CO, CT, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MN, MS, MT, NC, ND, NE, NH, NJ, NM, NY, NV, OH, OK, OR, PA, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY

***Number of Searches by Community Size***

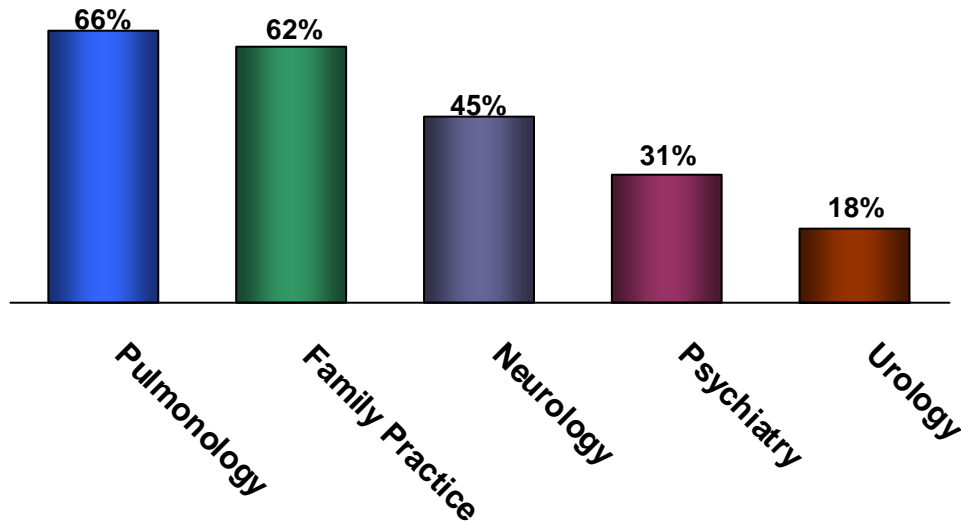
	<u>2007/08</u>	<u>2006/07</u>	<u>2005/06</u>	<u>2004/05</u>
0-25,000	973 (31%)	935 (31%)	769 (27%)	806 (30%)
25,001-100,000	851 (27%)	878 (29%)	935 (33%)	860 (32%)
100,001+	1322 (42%)	1,203 (40%)	1,136 (40%)	1,021 (38%)

***Top 20 Physician Searches by Medical Specialty and CRNA Searches***

	<u>2007/08</u>	<u>2006/07</u>	<u>2005/06</u>	<u>2004/05</u>
Family Practice*	492	303	257	166
Internal Medicine	314	273	274	188
Hospitalist	208	194	112	62
OB/GYN	159	111	83	103
Orthopedic Surgery	145	172	207	210
Radiology	109	187	237	218
Psychiatry	106	69	80	54
Emergency Medicine	90	91	91	47
Neurology	84	58	69	56
General Surgery	81	121	165	116
Urology	74	63	75	59
Pediatrics	72	63	41	48
Cardiology	69	163	174	231
Gastroenterology	68	78	105	94
CRNA	61	61	117	102
Anesthesiology	52	46	70	64
Pulmonology	48	29	n/a	n/a
Otolaryngology	47	56	57	54
HEM/ONC	46	59	45	n/a
Dermatology	35	45	39	n/a

\*Includes Family Practice/Obstetrics

***Top Five Specialties by Growth in Number of Search Assignments from 2006/07 - 2007/08***



***Other Specialty Recruitment Assignments  
(Physician only, does not include allied professionals)***

- |                              |                                 |                            |
|------------------------------|---------------------------------|----------------------------|
| Allergy/Immunology           | Neonatology                     | Pediatric Neurology        |
| Bariatric Surgery            | Nephrology                      | Pediatric/Neurosurgery     |
| Body Imaging Radiology       | Neurointensivist                | Pediatric/Ophthalmology    |
| Cardio-Electro Physiology    | Neuropsychiatrist               | Pediatric/Orthopedic Surg. |
| Cardiothoracic Surgery       | Occupational Medicine           | Pediatric/Pulmonology      |
| Cardiovascular Surgery       | Ophthalmology                   | Pediatric/Radiology        |
| Child Psychiatry             | Oral Maxillofacial Surgery      | Pediatric/Surgery          |
| Critical Care/Pediatrics     | Orthopedic Foot & Ankle Surgery | Pediatric Urology          |
| Critical Care/Pulmonology    | Orthopedic Hand Surgery         | Perinatology               |
| Electro Pysiology            | Orthopedic Spine Surgery        | Physical Medicine-Rehab    |
| Endocrinology                | Orthopedic Total Joint          | Plastic Surgery            |
| Endovascular Surgery         | Orthopedic Trauma Surgery       | Podiatry                   |
| Geriatrics                   | Pain Management                 | Radiation Oncology         |
| Gynecology                   | Pathology                       | Rheumatology               |
| Gynecology/Oncology          | Pediatric/Anesthesiology        | Sleep Medicine             |
| Hand Surgery                 | Pediatric/Cardiology            | Surgical Oncology          |
| Hepatology                   | Pediatrics/Development Behavior | Transplant Surgery         |
| Infectious Disease           | Pediatric/Hem-Onc.              | Trauma Surgery             |
| Internal Medicine/Pediatrics | Pediatric/Intensivist           |                            |
| Maternal/Fetal Medicine      | Pediatric/Nephrology            |                            |

## ***Income Offered to Top 20 Recruited Specialties***

*(Base salary or income guarantee only, does not include production bonus or benefits)*

	<u>Low</u>	<u>Average</u>	<u>High</u>
<b>Family Practice</b>			
2007/08	\$120,000	\$172,000	\$275,000
2006/07	\$120,000	\$161,000	\$250,000
2005/06	\$115,000	\$145,000	\$220,000
2004/05	\$125,000	\$150,000	\$200,000
<b>Family Practice with Obstetrics</b>			
2007/08	\$140,000	\$184,000	\$275,000
2006/07	\$145,000	\$159,000	\$200,000
2005/06	\$140,000	\$158,000	\$180,000
2004/05	N/A	N/A	N/A
<b>Internal Medicine</b>			
2007/08	\$125,000	\$176,000	\$330,000
2006/07	\$135,000	\$174,000	\$275,000
2005/06	\$130,000	\$162,000	\$250,000
2004/05	\$130,000	\$161,000	\$210,000
<b>Hospitalist</b>			
2007/08	\$150,000	\$181,000	\$300,000
2006/07	\$145,000	\$180,000	\$250,000
2005/06	\$140,000	\$175,000	\$190,000
2004/05	\$150,000	\$171,000	\$210,000
<b>OB/GYN</b>			
2007/08	\$160,000	\$255,000	\$405,000
2006/07	\$200,000	\$247,000	\$345,000
2005/06	\$175,000	\$234,000	\$450,000
2004/05	\$200,000	\$247,000	\$320,000
<b>Orthopedic Surgery</b>			
2007/08	\$250,000	\$439,000	\$750,000
2006/07	\$250,000	\$413,000	\$650,000
2005/06	\$250,000	\$370,000	\$515,000
2004/05	\$250,000	\$361,000	\$650,000
<b>Radiology</b>			
2007/08	\$230,000	\$401,000	\$750,000
2006/07	\$250,000	\$380,000	\$500,000
2005/06	\$240,000	\$351,000	\$500,000
2004/05	\$250,000	\$355,000	\$500,000

	<u>Low</u>	<u>Average</u>	<u>High</u>
<b>Psychiatry</b>			
2007/08	\$120,000	\$189,000	\$230,000
2006/07	\$160,000	\$186,000	\$230,000
2005/06	\$130,000	\$174,000	\$230,000
2004/05	\$140,000	\$176,000	\$250,000
<b>Emergency Medicine</b>			
2007/08	\$190,000	\$240,000	\$258,000
2006/07	\$150,000	\$239,000	\$300,000
2005/06	\$130,000	\$210,000	\$270,000
2004/05	\$140,000	\$246,000	\$270,000
<b>Neurology</b>			
2007/08	\$150,000	\$230,000	\$325,000
2006/07	\$170,000	\$234,000	\$275,000
2005/06	\$150,000	\$210,000	\$250,000
2004/05	\$155,000	\$209,000	\$230,000
<b>General Surgery</b>			
2007/08	\$240,000	\$321,000	\$450,000
2006/07	\$225,000	\$301,000	\$350,000
2005/06	\$150,000	\$272,000	\$350,000
2004/05	\$220,000	\$255,000	\$310,000
<b>Urology</b>			
2007/08	\$300,000	\$387,000	\$550,000
2006/07	\$275,000	\$400,000	\$500,000
2005/06	\$250,000	\$320,000	\$375,000
2004/05	\$250,000	\$329,000	\$340,000
<b>Pediatrics</b>			
2007/08	\$120,000	\$159,000	\$265,000
2006/07	\$115,000	\$159,000	\$200,000
2005/06	\$115,000	\$151,000	\$180,000
2004/05	\$110,000	\$151,000	\$180,000
<b>Cardiology</b>			
2007/08	\$250,000	\$392,000	\$1,000,000
2006/07	\$250,000	\$391,000	\$500,000
2005/06	\$175,000	\$342,000	\$500,000
2004/05	\$234,000	\$320,000	\$525,000
<b>Gastroenterology</b>			
2007/08	\$250,000	\$379,000	\$475,000
2006/07	\$200,000	\$365,000	\$450,000
2005/06	\$175,000	\$315,000	\$500,000
2004/05	\$230,000	\$298,000	\$340,000

	<u>Low</u>	<u>Average</u>	<u>High</u>
<b>CRNA</b>			
2007/08	\$155,000	\$185,000	\$230,000
2006/07	\$130,000	\$164,000	\$200,000
2005/06	\$87,000	\$156,000	\$210,000
2004/05	\$75,000	\$150,000	\$190,000

**Anesthesiology**

2007/08	\$250,000	\$336,000	\$480,000
2006/07	\$220,000	\$300,000	\$425,000
2005/06	\$275,000	\$306,000	\$375,000
2004/05	\$240,000	\$303,000	\$340,000

**Pulmonology**

2007/08	\$200,000	\$283,000	\$525,000
2006/07	\$225,000	\$266,000	\$350,000
2005/06	N/A	N/A	N/A
2004/05	N/A	N/A	N/A

**Otolaryngology**

2007/08	\$275,000	\$362,000	\$600,000
2006/07	\$200,000	\$312,000	\$400,000
2005/06	\$175,000	\$272,000	\$350,000
2004/05	\$235,000	\$304,000	\$350,000

**HEM/ONC**

2007/08	\$225,000	\$365,000	\$500,000
2006/07	\$300,000	\$339,000	\$500,000
2005/06	N/A	N/A	N/A
2004/05	N/A	N/A	N/A

**Dermatology**

2007/08	\$250,000	\$315,000	\$400,000
2006/07	\$200,000	\$318,000	\$400,000
2005/06	N/A	N/A	N/A
2004/05	N/A	N/A	N/A

***Type of Incentive Offered***

	<u>Salary</u>	<u>Salary w/ Bonus</u>	<u>Income Guarantee</u>
2007/08	694 (22%)	1,854 (59%)	598 (19%)
2006/07	362 (12%)	2,010 (67%)	644 (21%)
2005/06	426 (15%)	1,505 (53%)	909 (32%)
2004/05	269 (10%)	1,478 (55%)	940 (35%)

*Type of Guarantee (of 598 searches offering guarantees)*

	<u>Net Collections Guarantee</u>	<u>Gross Collections Guarantee</u>
2007/08	500 (84%)	98 (16%)
2006/07	501 (78%)	143 (22%)
2005/06	736 (81%)	173 (19%)
2004/05	827 (88%)	113 (12%)

*Term of Guarantee (of 598 searches offering guarantees)*

	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>
2007/08	342 (57%)	198 (33%)	58 (10%)
2006/07	411 (64%)	200 (31%)	33 (5%)
2005/06	591 (65%)	315 (35%)	3 (<1%)
2004/05	708 (76%)	220 (23%)	8 (1%)

*Searches Offering "Forgiveness" of Guarantee (of 598 searches offering guarantees)*

	<u>Forgiveness</u>	<u>No Forgiveness</u>
2007/08	426 (71%)	172(29%)
2006/07	613 (95%)	31(5%)
2005/06	827 (91%)	82 (9%)
2004/05	884 (94%)	56 (6%)

*Time Period of Forgiveness (of 426 searches offering forgiveness)*

	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>Other / N/A</u>
2007/08	31 (7%)	72 (17%)	167 (39%)	156 (37%)
2006/07	24 (4%)	244 (40%)	308 (50%)	37 (6%)
2005/06	9 (1%)	298 (36%)	504 (61%)	16 (2%)
2004/05	38 (4%)	547 (58%)	303 (32%)	52 (6%)

*Paying Relocation*

	<u>Yes</u>	<u>No</u>
2007/08	2896 (92%)	250 (8%)
2006/07	2,954 (98%)	62 (2%)
2005/06	2,815 (99%)	25 (1%)
2004/05	2,677 (99%)	10 (1%)

***Amount of Relocation Allowance***

	<b><u>Low</u></b>	<b><u>Average</u></b>	<b><u>High</u></b>
2007/08	\$1,500	\$9,807	\$20,000
2006/07	\$1,000	\$9,808	\$75,000
2005/06	\$3,000	\$10,060	\$20,000
2004/05	\$3,500	\$8,850	\$20,000

***Signing Bonus Offered***

	<b><u>Yes</u></b>	<b><u>No</u></b>
2007/08	2,326 (74%)	820 (26%)
2006/07	2,173 (72%)	843 (28%)
2005/06	1,650 (58%)	1190 (42%)
2004/05	1,236 (46%)	1,451 (54%)

***Amount of Bonus***

	<b><u>Low</u></b>	<b><u>Average</u></b>	<b><u>High</u></b>
2007/08	\$4,000	\$24,800	\$200,000
2006/07	\$5,000	\$20,000	\$100,000
2005/06	\$5,000	\$20,480	\$75,000
2004/05	\$5,000	\$14,030	\$50,000

***Paying Continuing Medical Education (CME)***

	<b><u>Yes</u></b>	<b><u>No</u></b>
2007/08	2,863 (91%)	283 (9%)
2006/07	2,746 (91%)	270 (9%)
2005/06	2,558 (90%)	282 (10%)
2004/05	2,498 (93%)	189 (7%)

***Amount of CME***

	<b><u>Low</u></b>	<b><u>Average</u></b>	<b><u>High</u></b>
2007/08	\$700	\$3,924	\$35,000
2006/07	\$1,000	\$3,312	\$15,000
2005/06	\$1,500	\$3,830	\$10,000
2004/05	\$1,000	\$3,350	\$15,000

### *Paying Additional Benefits*

	<u>2007/08</u>	<u>2006/07</u>	<u>2005/06</u>	<u>2004/05</u>
Health Insurance	95%	91%	91%	92%
Malpractice	96%	91%	92%	93%
Retirement	91%	72%	70%	72%
Disability	79%	69%	70%	74%
Educational Loan Forgiveness	35%	26%	34%	14%

## **TRENDS AND OBSERVATIONS**

Merritt Hawkins & Associates' annual Review of Physician and CRNA Recruiting Incentives, now in its fifteenth year, underscores three key recruiting trends. First, based on the physician recruiting assignments Merritt Hawkins & Associates receives from its clients, the Review indicates which types of physicians are in the greatest demand and which are the most challenging to recruit. Second, the review indicates what types of communities are recruiting physicians based on population size and the types of practice settings into which physicians are being recruited. Third, the Review indicates the types of financial and other incentives that are being used to recruit physicians

### **WHO IS IN DEMAND?**

Merritt Hawkins & Associates' **2008 Review of Physician and CRNA Recruiting Incentives** confirms that a trend which has been apparent for several years continues to gain momentum. Demand for primary care physicians, defined in this Review as family practice, general internal medicine and pediatrics, is accelerating.

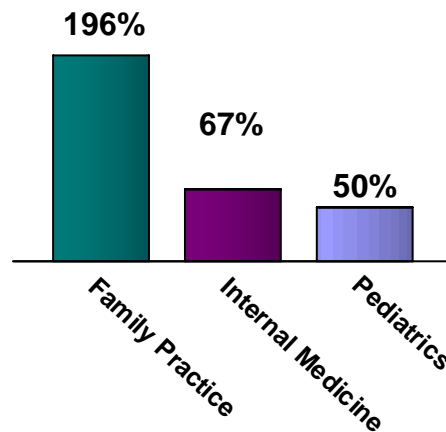
This represents a continued and sustained realignment of the physician recruiting market. Demand for primary care physicians spiked in the 1990s during the heyday of managed care, but subsequently declined, while demand for surgical and diagnostic specialists increased. In the early to mid-1990s, approximately 75 percent of Merritt Hawkins & Associates' physician search assignments were for primary care physicians. By 2001, this paradigm had shifted 180 degrees and about 75 percent of Merritt Hawkins & Associates' search assignments were for surgical or diagnostic specialists.

The 2008 review indicates that while demand for some medical specialists remains strong, hospitals, medical groups and other organizations are focused on recruiting family physicians, general internists, general internists working as hospitalists, and pediatricians. In the twelve month period from April 1, 2007 to March 31, 2008, family practice and general internal medicine were Merritt Hawkins & Associates' two most requested physician search assignments. Third on the list was hospitalists, the majority of whom are general internists. Search assignments for pediatricians, which have been flat or declining for close to 10 years prior to 2005/06, increased in both 2006/07 and 2007/08. In addition, search assignments for obstetricians/gynecologists (who are considered

primary care physicians by some observers) increased significantly from 2006/07 to 2007/08, after being relatively flat for several years.

The graph below illustrates percent of growth in primary care and hospitalist search assignments from 2004/05 to 2007/08.

*Growth in Primary Care Searches / 2004/05 – 2007/08*



Primary care physicians have become a particular focus of recruiting efforts for several reasons. In the 1990s, many medical school graduates gravitated toward primary care residencies, enhancing supply, while today medical graduates are largely avoiding primary care (this is particularly true of U.S. medical graduates.) Many residency programs, particularly in family practice, fall well short of filling their available positions. This dip in supply coincides with the renewed focus that hospitals and medical groups are putting on primary care after several years of neglect in the early part of this decade. In the case of internal medicine, population aging is driving demand. General internists often manage the care of middle age to elderly patients, the fastest growing population segment. The current number of internists being trained is insufficient to meet the demand generated by an aging population.

Population growth also is a factor. The U.S. Census Bureau indicates the nation's population will grow by 49 million people from 2000 to 2050. This growth will be generated by new births and by an influx of immigrants, most of whom are comparatively young and require the services of both family physicians and pediatricians. The number of physicians being trained in the U.S., meanwhile, has remained virtually stagnant for 20 years.

Demand also is up significantly for hospitalists who provide inpatient care in a hospital setting. Hospitalists are proving a popular and effective way of enhancing quality of care, reducing medical errors and managing costs. In addition, by relieving office-based physicians of inpatient work, hospitalists can increase medical staff retention and satisfaction rates. However, because so many internal medicine practitioners are choosing to practice as hospitalists, the supply of general internists has become

constrained, making internal medicine one of the most difficult search assignments to fill today.

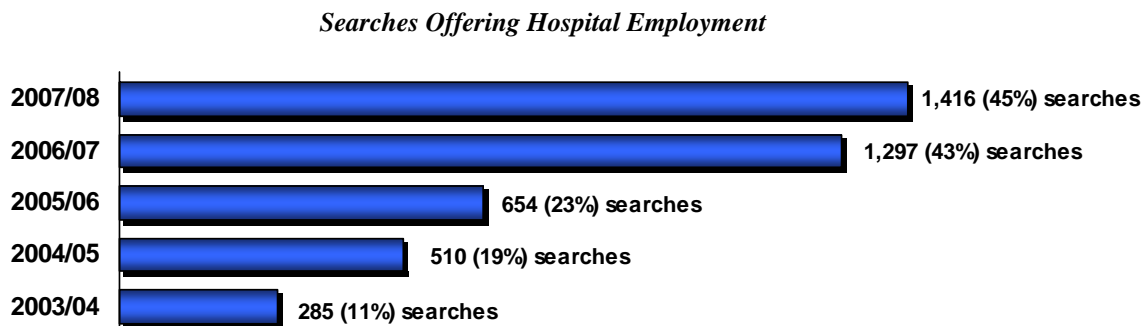
The 2008 Review indicates that demand is up or remains strong for various types of specialists, including pulmonologists, urologists, neurologists, psychiatrists, and emergency medicine physicians. The Review indicates demand is flat or declining for several types of specialists, including radiologists, cardiologists, anesthesiologists, and orthopedic surgeons. The decline in search assignments in these fields may be a result of the fact that in recent years medical graduates have gravitated toward these specialties while avoiding primary care and other relatively low paying specialties..

While demand for physicians in various specialties tends to run in cycles, the general trend in physician recruiting today is characterized by a strong demand for physicians in most specialties, coupled with a limited supply. The nation continues to face a physician shortage, which is discussed in greater detail in the Merritt Hawkins & Associates' book *Will the Last Physician in America Please Turn Off the Lights?*

### **WHERE ARE THEY RECRUITING? INTO WHAT SETTINGS?**

The 2008 Review also confirms another physician recruiting pattern that has become apparent over the last three years: An increasing number of hospitals are employing physicians. Direct employment of physicians by hospitals was one hallmark of managed care in the 1990s, but the practice was largely dropped as hospitals found the physician employment model problematic. The 2008 review shows that 45 percent of the Merritt Hawkins & Associates' 2007/08 physician search assignments were for settings where the hospital is employing the physician, up significantly from 23 percent in 2005/06 and from 19 percent in 2004/05.

The graph below shows those Merritt Hawkins & Associates' search assignments that featured settings in which the hospital is employing the physician:



The new trend toward hospital employment of physicians is different from the 1990s, when physicians approached hospitals about employment opportunities rather than the reverse. Many physicians, specialists in particular, are seeking hospital employment to relieve them of the stress of high malpractice rates, the struggle for reimbursement, administrative duties and the general risks and hassles of private practice. Hospital employment is viewed favorably by many physicians today and, in our experience, hospitals offering employed positions may enjoy an advantage over those that do not. In

addition, Stark laws pertaining to physician recruitment can create scenarios where it is more practical for hospitals to employ physicians than to assist them in establishing independent practices. Employing physicians also represents one way that hospitals can address the issue of physician/hospital competition that may arise when physicians open their own specialty hospitals or surgery centers.

The 2008 Review indicates that Merritt Hawkins & Associates® represented physician search assignments in 48 states (all states except Hawaii and Rhode Island) during the 12 month period from April 1, 2007 to March 31, 2008. Hospitals, medical groups and other organizations in almost every state found it necessary or desirable to retain the services of a physician search firm such as Merritt Hawkins & Associates, suggesting that physician recruitment challenges exist nationwide, even in states with high physician-to-population ratios such as Massachusetts and New York.

The general shortage of physicians also is underlined by the fact that 42 percent of Merritt Hawkins & Associates' search assignments in 2007/08 were located in cities of 100,000 or more (up from 40 percent the previous year.) Medical organizations in communities of all sizes now require the services of physician search firms such as Merritt Hawkins & Associates, suggesting that physician shortages are not localized to rural areas.

#### **WHAT ARE THEY OFFERING?**

The 2008 Review indicates that the increased demand for family practitioners, internists and pediatricians is having some affect on the financial incentives being offered to recruit them. While demand for primary care physicians (family physicians and internists in particular) has increased in the last several years, this was not reflected in recruiting offers made to them until 2006/07. In Merritt Hawkins & Associates' experience, it often takes the market a year or two to adjust to rising demand for certain specialists before financial offers increase.

Average salary- or income-guarantee offers made to family practitioners increased from \$145,000 in 2005/06 to \$172,000 in 2007/08, a gain of 19 percent, while average offers made to general internists increased from \$162,000 in 2005/06 to \$177,000 in 2007/08, a gain of 9 percent. It is interesting to observe that while income offered to recruit primary care physicians has increased in recent years, CRNAs, who are advanced practice nurses, are typically offered higher salaries than primary care M.D.s. The average offer made to CRNAs in the 2008 review period was \$185,000, higher than average offers made to family physicians, internists, or pediatricians. Income offered to primary care physicians also is significantly less than income offered to most other specialists.

The 2008 Review indicates that some specialists saw significant gains in average financial offers, including radiologists, orthopedic surgeons, general surgeons, hemotologists/oncologists, gastroenterologists, otolaryngologists, radiologists and pulmonologists. The graph below shows the medical specialties that had the greatest increases in income offers during the 2006/2007 review period.

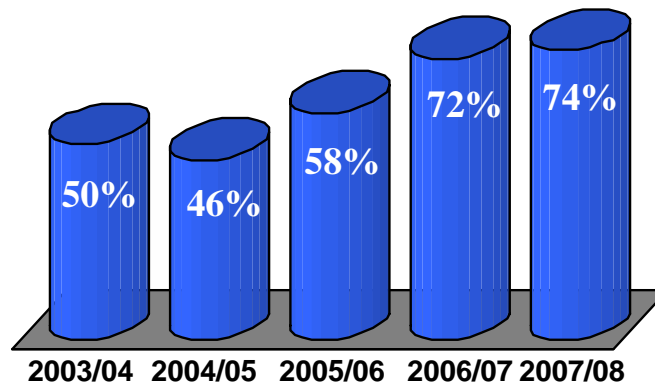
**Specialties Showing Highest Gain in Income Offers  
2006/07 – 2007/08**

	<b>Income Offered 2006/07</b>	<b>Income Offered 2007/08</b>	<b>% Increase</b>
<b>Otolaryngology</b>	<b>\$312,000</b>	<b>\$362,000</b>	<b>16%</b>
<b>CRNA</b>	<b>\$164,000</b>	<b>\$185,000</b>	<b>13%</b>
<b>Anesthesiology</b>	<b>\$300,000</b>	<b>\$336,000</b>	<b>12%</b>
<b>Hemotology/Oncology</b>	<b>\$339,000</b>	<b>\$365,000</b>	<b>8%</b>
<b>General Surgery</b>	<b>\$301,000</b>	<b>\$321,000</b>	<b>7%</b>

The number of hospitals, medical groups and other organizations offering physicians signing bonuses has steadily increased over the last 10 years, current and past Reviews indicate. In the 1990s, searches offering signing bonuses were the exception; the 2008 Review indicates that they are now generally the rule. Signing bonuses were offered in 74 percent of the recruiting assignments Merritt Hawkins & Associates conducted in 2007/08, up from 50 percent in 2003/04.

The graph below illustrates the increase in the use of signing bonuses over the last several years

### *Searches Offering Signing Bonuses*



Signing bonuses offered in 2007/08 averaged \$24,800, up from \$20,000 in 2006/07 and \$14,030 in 2004/05.

Certain other incentives, such as paid relocation, paid continuing medical education (CME), health and malpractice insurance are standard in the majority of Merritt Hawkins & Associates' physician search assignments. The average relocation allowance offered in 2007/08 was \$9,807, about exactly the same as the previous year, while the average CME allowance was \$3,924, up from \$3,212 the previous year.

### **SUMMARY**

Merritt Hawkins & Associates® 2008 Review of Physician and CRNA Recruiting Incentives underscores the fact that the demand for primary care physicians continues to grow while demand for most specialists remains strong. Hospital employment of physicians also appears to be increasing as many physicians seek the security and relative simplicity of an employed position. Financial incentives offered to recruit physicians generally are up, while the use of signing bonuses has increased. The 2008 Review also indicates that physician recruitment is a national challenge, as Merritt Hawkins & Associates conducted search assignments in virtually all 50 states in 2007/08.

## **THE MHA GROUP<sup>®</sup> / ADDITIONAL SURVEYS**

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- Review of Temporary Health Care Staffing Trends & Incentives
- Review of Temporary Health Care Staffing Trends & Incentives (Mid-level Providers)
- Survey of Hospital Chief Nursing Officers
- Survey of Male Nurses
- Survey of Travel Nurses
- Survey of Nurse Students

### **BOOKS WRITTEN BY MERRITT HAWKINS & ASSOCIATES:**

*Will the Last Physician in America Please Turn Off the Lights?  
A Look at America's Looming Physician Shortage/Fourth Edition*  
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