

# 2015 REVIEW

## OF PHYSICIAN AND ADVANCED PRACTITIONER RECRUITING INCENTIVES



22<sup>ND</sup>  
EDITION

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



**MERRITT HAWKINS**   
an AMN Healthcare company

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# Overview

Merritt Hawkins is a national healthcare search and consulting firm specializing in the recruitment of physicians in all medical specialties and other advanced practice clinicians. Now celebrating its 27th year of service to the healthcare industry, Merritt Hawkins is a company of AMN Healthcare (NYSE: AHS), the nation's largest healthcare staffing organization and the industry innovator of healthcare workforce solutions.

This report marks Merritt Hawkins' 22nd annual Review of the search and consulting assignments the firm conducts on behalf of its clients. Merritt Hawkins' Review is the longest consecutively published and most comprehensive report on physician recruiting incentives in the industry. The Review is part of Merritt Hawkins' ongoing thought leadership efforts, which include surveys and white papers conducted for Merritt Hawkins' proprietary use, and surveys and white papers Merritt Hawkins has completed on behalf of prominent third parties, including The Physicians Foundation, the Indian Health Service, the American Academy of Physician Assistants, the Association of Academic Surgical Administrators, Trinity University, the North Texas Regional Extension Center, Texas Hospital Trustees, and two Subcommittees of the Congress of the United States.

The 2015 Review is based on the 3,120 permanent physician and advanced practitioner search assignments that Merritt Hawkins and AMN Healthcare's other physician staffing companies (Kendal & Davis and Staff Care) had ongoing or were engaged to conduct during the 12-month period from April 1, 2014, to March 31, 2015.

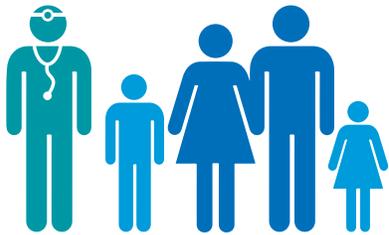
The intent of the Review is to quantify financial and other incentives offered by our clients to physician and advanced practitioner candidates during the course of recruitment. Incentives cited in the Review are based on formal contracts or incentive packages used by hospitals, medical groups and other facilities in real-world recruiting assignments. Unlike other compensation surveys, Merritt Hawkins' Review of Physician and Advanced Practitioner Recruiting Incentives tracks physician and advanced practitioner starting salaries and other recruiting perquisites, rather than total annual compensation.

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

Following are several key findings of the Review.

# Key Findings

*Merritt Hawkins' 2015 Review of Physician and Advanced Practitioner Recruiting Incentives reveals a number of trends within the physician and advanced practitioner recruiting market, including:*



## #1 FAMILY PHYSICIANS

Most requested recruiting assignment

- For a record ninth consecutive year, family physicians were number one on the list of Merritt Hawkins' most requested recruiting assignments. General internists were second on the list, also for the ninth consecutive year, highlighting the continued nationwide demand for primary care physicians as team-based care and the population health management model continue to proliferate.
- Psychiatrists, one of the most difficult types of physicians to recruit, were number three on the list of Merritt Hawkins' most requested assignments, underlying the continued severe shortage of behavioral health specialists.



## #4 ADVANCED PRACTITIONERS

Most requested recruiting assignment

- Combined, advanced practitioners, including physician assistants (PAs) and nurse practitioners (NPs), were fourth on the list of Merritt Hawkins' most requested recruiting assignments, up from fifth the previous year. Four years ago, neither PAs nor NPs were among Merritt Hawkins' top 20 assignments, either individually or collectively.
- Merritt Hawkins saw an increase in demand for specialists who are key to the implementation of population health management, including obstetrician/gynecologists, pulmonologists, and cardiologists who can either manage women's health or manage patients (often elderly) with long-term chronic conditions.



## URGENT CARE IN TOP 20

MOST REQUESTED RECRUITING ASSIGNMENTS

- Urgent care made the list of top 20 most requested recruiting assignments for the first time since Merritt Hawkins began compiling this Review, underscoring the rising demand for physicians who practice in convenient care/outpatient settings.

- Surgical specialists such as orthopedists, urologists, and otolaryngologists, who often provide treatments and procedures generated by older patients, also are in strong demand.
- The types of facilities seeking physicians continues to evolve. Hospital-employed positions comprised 51% of Merritt Hawkins search assignments in the 12-month period covered by this Review, down from 64% the previous year, while physician-owned medical group employed positions comprised 20% of search assignments, up from 13% the previous year. Community health center and academic settings also accounted for a greater percent of Merritt Hawkins' search assignments year-over-year.
- Solo practice made a surprise rebound. Four percent of Merritt Hawkins' search assignments in the period covered by this Review were for solo practices, up from less than 1% the previous year.



**APPROXIMATELY 95%**  
Searches feature an employed setting

- Despite the increase in independent, solo practice settings, the employed physician model continues to dominate. Approximately 95% of Merritt Hawkins' search assignments now feature an employed setting, compared to less than 50% in 2004.

- Demand for physicians in concierge practice settings appears to be flat. Though a growing number of physicians express interest in the direct pay/ concierge practice model, the number of search assignments Merritt Hawkins conducted for concierge physicians decreased slightly year-over-year.



**ONLY 23% TIED BONUSES**  
TO QUALITY-BASED METRICS

- Physician production bonuses remain mostly volume/fee-for-service based. Despite the movement toward value-based physician compensation, only 23% of Merritt Hawkins' clients who offered physicians a production bonus tied bonuses to quality-based metrics such as patient satisfaction.
- Relative Value Units (RVUs) continue to be the most frequently utilized physician productivity incentive and were featured in 57% of Merritt Hawkins' recruiting assignments in which a production bonus was part of the incentive package.
- Demand for physicians is not confined to traditionally underserved rural areas. Merritt Hawkins worked in all 50 states in 2014/15, and 40% of the firm's search assignments took place in communities of 100,000 people or more.

Following is a breakout of the characteristics and metrics of Merritt Hawkins' 2014/15 physician recruiting assignments.