

Merritt Hawkins

2016

Review of Physician and Advanced Practitioner Recruiting Incentives:

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

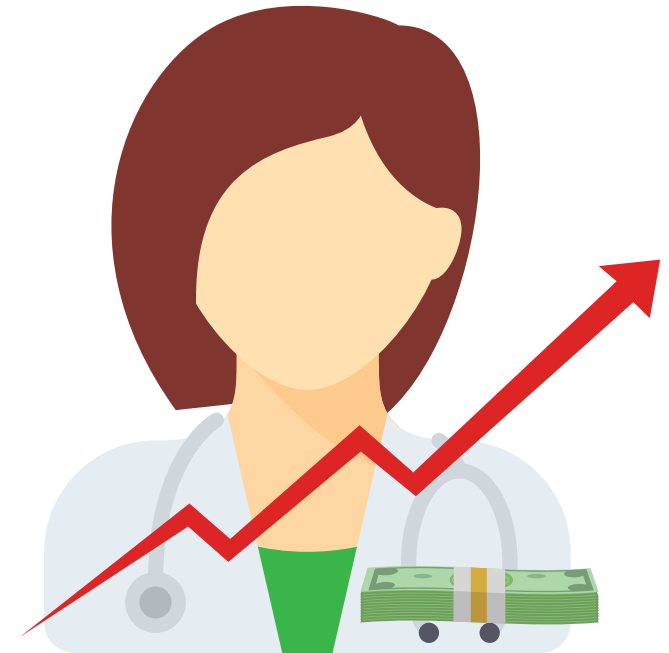
REAL-WORLD HEALTHCARE RECRUITING ASSIGNMENTS

Merritt Hawkins' 2016 Review of Physician and Advanced Practitioner Recruiting Incentives is based on Merritt Hawkins and AMN Healthcare's permanent physician recruiting assignments conducted from **April 1, 2015 to March 31, 2016.**

3,342 PHYSICIAN AND ADVANCED PRACTITIONER RECRUITING ASSIGNMENTS

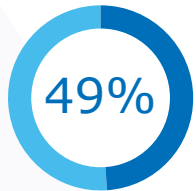
Unlike other surveys, Merritt Hawkins' Review tracks physician and advanced practitioners' starting salaries and other prerequisites, rather than total annual compensation.

It therefore reflects the incentives physicians are offered to attract them to a new practice settings, rather than what physicians in general may actually earn.

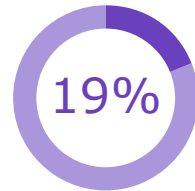


49% OF MERRITT HAWKINS SEARCH ASSIGNMENTS WERE IN A HOSPITAL SETTING.

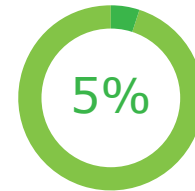
Medical Settings of Merritt Hawkins' Search Assignments.



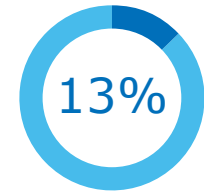
Hospital



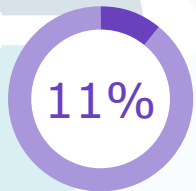
Medical Group



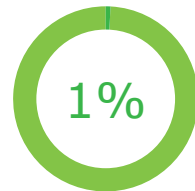
Solo Practice



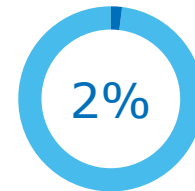
Community Health Center/Indian Health Service



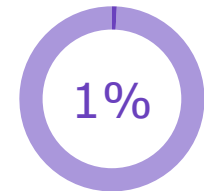
Academics



Concierge



Urgent Care



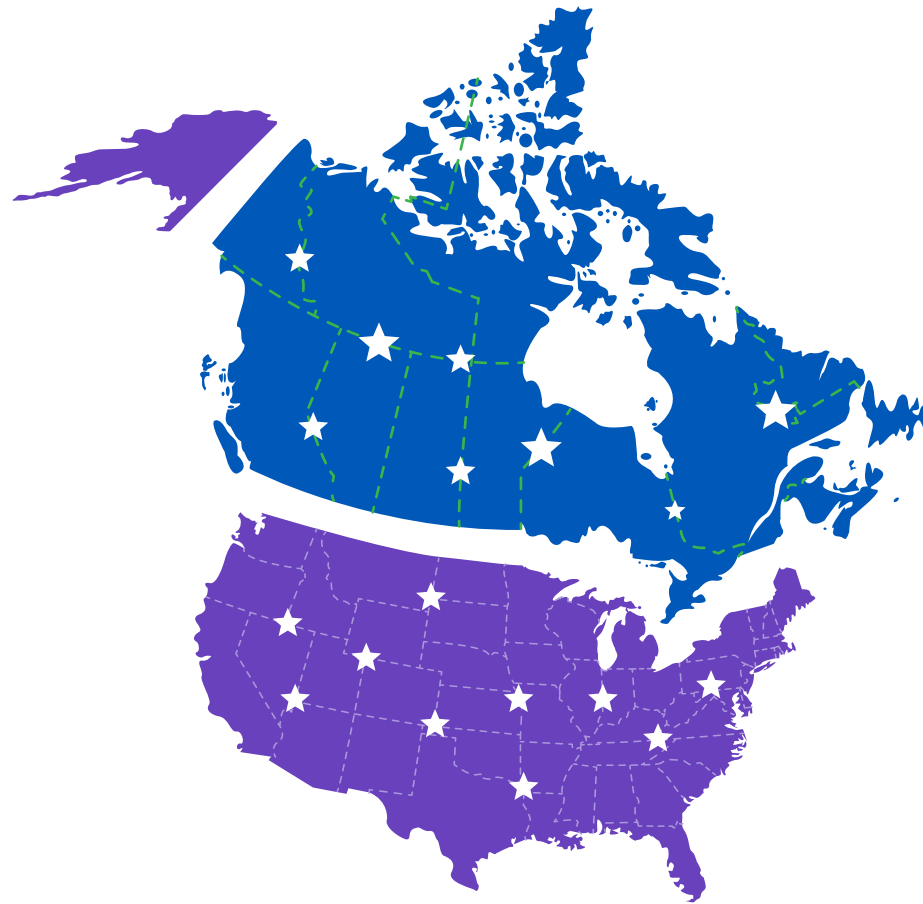
Other

APPROXIMATELY 90% OF MERRITT HAWKINS SEARCH ASSIGNMENTS FEATURE EMPLOYMENT OF THE PHYSICIAN. ONLY ABOUT 10% FEATURE INDEPENDENT PRACTICE SETTINGS.

Merritt Hawkins recruits physicians and advanced practitioners for a wide range of practice settings, including hospitals, medical groups and other settings listed above.



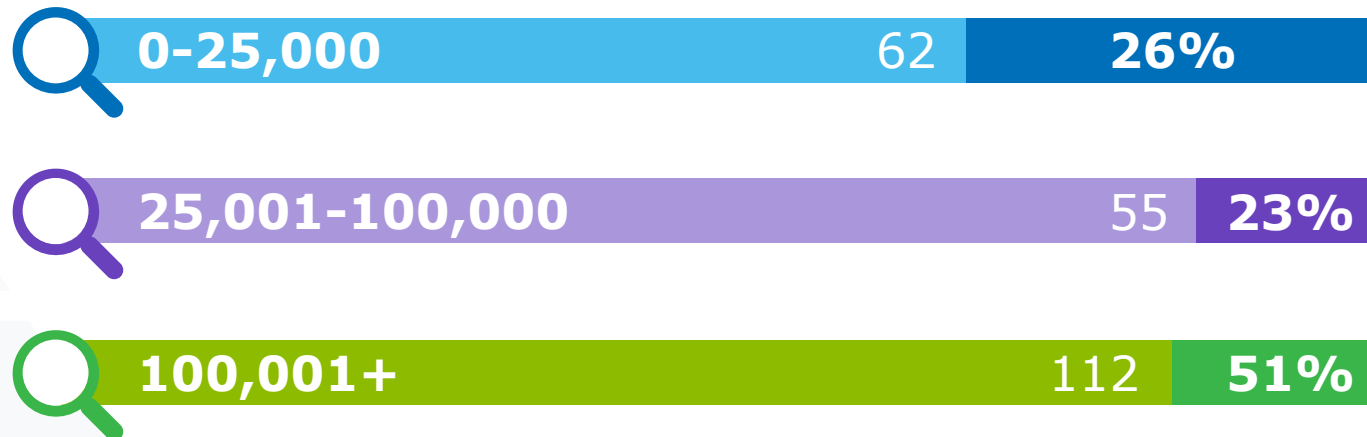
MERRITT HAWKINS REPRESENTED CLIENTS IN ALL 50 STATES AND THE DISTRICT OF COLUMBIA AND CANADA.



Merritt Hawkins represented clients in all **50** states and the District of Columbia and Canada during the Review period, underlying the national presence of physician recruiting needs and challenges.

51% OF SEARCH ASSIGNMENTS CONDUCTED OVER THE LAST YEAR WERE IN COMMUNITIES OF 100,000 OR MORE











Number of Searches by Community Size



Though it is well known that there is a maldistribution of physicians in the United States, with doctor shortages particularly common in many rural areas, physician recruiting challenges are not limited to small or mid-sized communities. The 2016 Review indicates that Merritt Hawkins conducted **51%** of its search assignments over the last year in communities of **100,000** or more, indicating that healthcare facilities in large communities also may have difficulty recruiting physicians.














FOR THE TENTH CONSECUTIVE YEAR, FAMILY MEDICINE WAS THE MOST REQUESTED SEARCH ASSIGNMENT

Top 10 Most Requested Searches by Specialty

- 1 Family Medicine (includes FP/OB) 
- 2 Psychiatry 
- 3 Internal Medicine 
- 4 Hospitalist 
- 5 Nurse Practitioner 
- 6 OB/GYN 
- 7 Neurology 
- 8 Orthopedic Surgery 
- 9 Urgent Care 
- 10 Pediatrics 

For the tenth consecutive year, family medicine was Merritt Hawkins' most requested search assignment, by far the longest period any one specialty has held this position. Psychiatry is ranked as Merritt Hawkins' second most requested search assignment – the first time psychiatry has held this position in the **23 years** Merritt Hawkins has compiled its Review. This ranking underscores the alarming shortage of psychiatrists that is developing in many parts of the United States.

AVERAGE SALARIES OF TOP 5 RECRUITED SPECIALTIES

Specialty	Salary	Year over Year Increase
 Family Medicine (includes FP/OB)	 \$225,000	 13.6%
 Psychiatry	 \$250,000	 10.6%
 Internal Medicine	 \$237,000	 14.5%
 Hospitalist	 \$249,000	 7.3%
 Nurse Practitioner	 \$117,000	 9.3%

Average starting salaries for family medicine as tracked by Merritt Hawkins' Review have never exceeded **\$200,000.**































That changed in the 2016 Review, which indicates the average starting salary offer made to family physicians now is **\$225,000**, up from **\$199,000** in 2015, a **13%** increase.

Average starting salaries for general internists also showed a significant increase, from **\$207,000** in the 2015 Review to **\$237,000** in 2016, a **14%** increase.

Salary increases in psychiatry, from **\$226,000** in 2015 to **\$250,000** in 2016, can be tied to increases in demand for psychiatrists.

Average salaries for NPs increased year over year, from **\$107,000** in the 2015 Review to **\$117,000** in 2016.

AVERAGE SALARIES FOR TOP FIVE MOST REQUESTED SPECIALTIES BY REGION

Specialty	Northeast	Midwest/Great Plains	Southeast	Southwest	West
 Family Medicine (includes FP/OB)	 \$210,000	 \$224,000	 \$222,000	 \$239,000	 \$231,000
 Psychiatry	 \$237,000	 \$248,000	 \$237,000	 \$268,000	 \$257,000
 Internal Medicine	 \$212,000	 \$238,000	 \$240,000	 \$271,000	 \$242,000
 Hospitalist	 \$205,000	 \$247,000	 \$281,000	 \$282,000	 \$256,000
 Nurse Practitioner	 \$119,000	 \$119,000	 \$97,000	 \$120,000	 \$117,000



For the first time, the Merritt Hawkins' Review includes average starting salaries by region for the top five most requested specialties.



Merritt Hawkins' 2016 Review indicates physician salaries tend to be lowest in the Northeast. A high ratio of physicians per capita in the Northeast creates competition, suppressing salaries, as does a relatively high prevalence of managed care/capitated compensation plans.



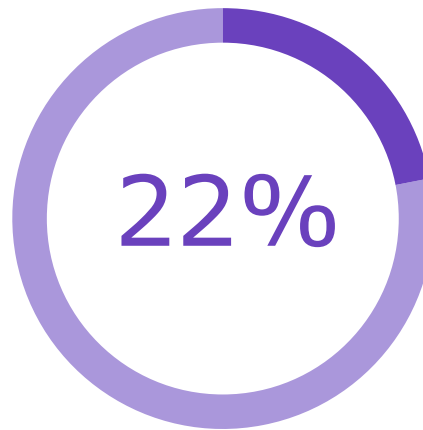
The Southwest, which includes Texas, has a generally higher rate of fee-for-service medicine combined with relatively fewer physicians per capita, driving salaries upward.

VALUE/QUALITY METRICS ACCOUNTED FOR 29% OF THE TOTAL PHYSICIAN BONUS AMOUNT AND FOR ABOUT 6% OF TOTAL PHYSICIAN COMPENSATION

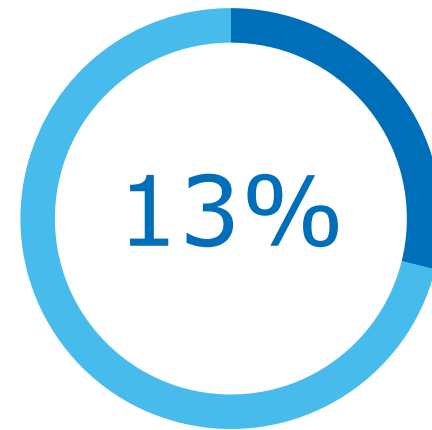
Percent of Physician Production Bonus Determined by Value/Quality



2013/14



2014/15



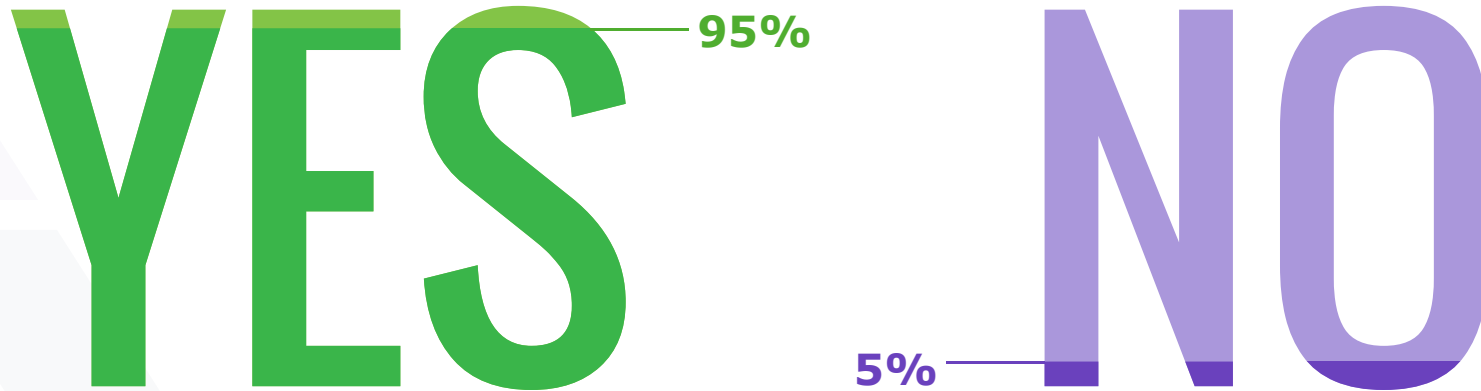
2015/16

Merritt Hawkins' Review indicates that physicians typically are paid on value/quality through production bonuses that feature metrics such as patient satisfaction, meaningful use, and others.

In the 2016 Review, these value/quality metrics accounted for **29%** of the total bonus amount and for about **6%** of total physician compensation.

95% OF MERRITT HAWKINS RECRUITING ASSIGNMENTS OFFERED RELOCATION ALLOWANCE.

Searches Offering a Relocation Allowance

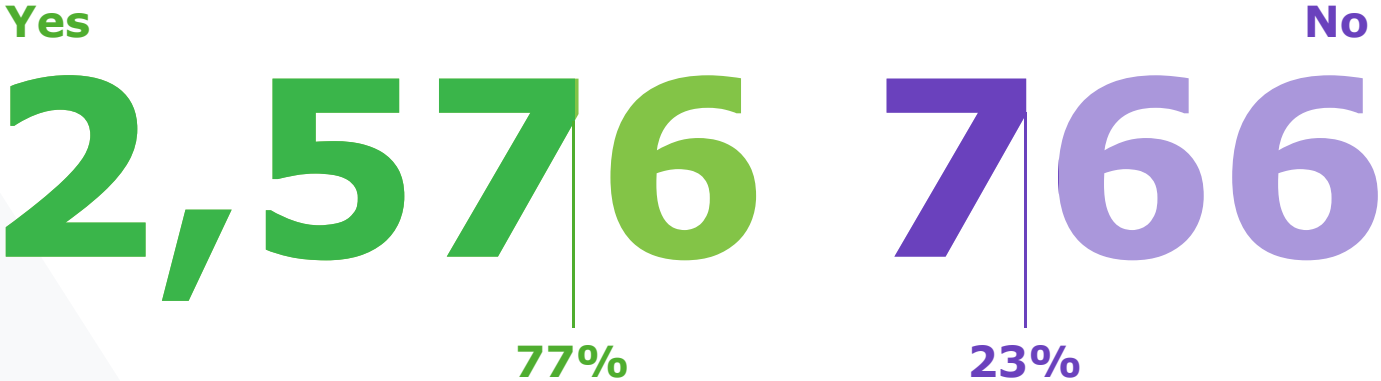


A relocation allowance was offered in **95%** of the recruiting assignments Merritt Hawkins conducted in 2016, up from **84%** the previous year.

The average relocation allowance offered to physicians in 2016 was **\$10,226** compared to **\$10,292** in 2015. The average relocation allowance offered to NPs and PAs was **\$8,649** compared to **\$9,436** in 2015.

SIGNING BONUSES WERE OFFERED IN 77% OF THE RECRUITING ASSIGNMENTS MERRITT HAWKINS, UP FROM 73% THE PREVIOUS YEAR.

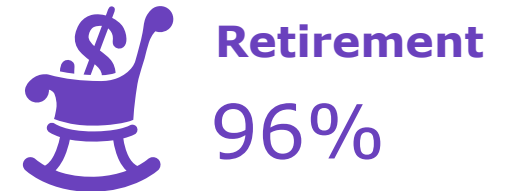
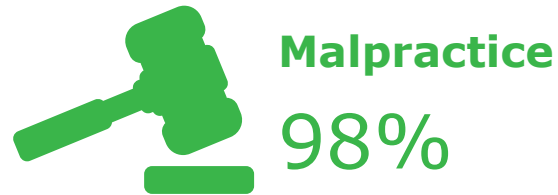
Searches Offering Signing Bonus



Signing bonuses were offered in **77%** of the recruiting assignments Merritt Hawkins conducted in 2016, up from **73%** the previous year.

Signing bonuses remain a standard recruiting incentive, though they may not be used in instances in which physicians are changing employers within the same community and do not need the extra inducement of a bonus.

SEARCHES OFFERING TO PAY ADDITIONAL BENEFITS



Certain other incentives, such as health insurance, malpractice insurance, retirement, disability, and educational loan forgiveness are standard in the majority of Merritt Hawkins' physician search assignments.

For a complete copy of the 44-page Merritt Hawkins 2016 Review of Physician and Advanced Practitioner Recruiting Incentives, and for additional information about Merritt Hawkins' Thought Leadership, contact:



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