

# 2023 Review of Physician and Advanced Practitioner Recruiting Incentives

30<sup>th</sup> Edition, 1994-2023

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October 18<sup>th</sup>, 2023

Presented to Washington State Hospital Association



EMPOWERING THE FUTURE OF CARE



PREFERRED PARTNER



# 2023 Review of Physician and Advanced Practitioner Recruiting Incentives (30<sup>th</sup> Edition, 1994-2023)

Internal data, not a survey

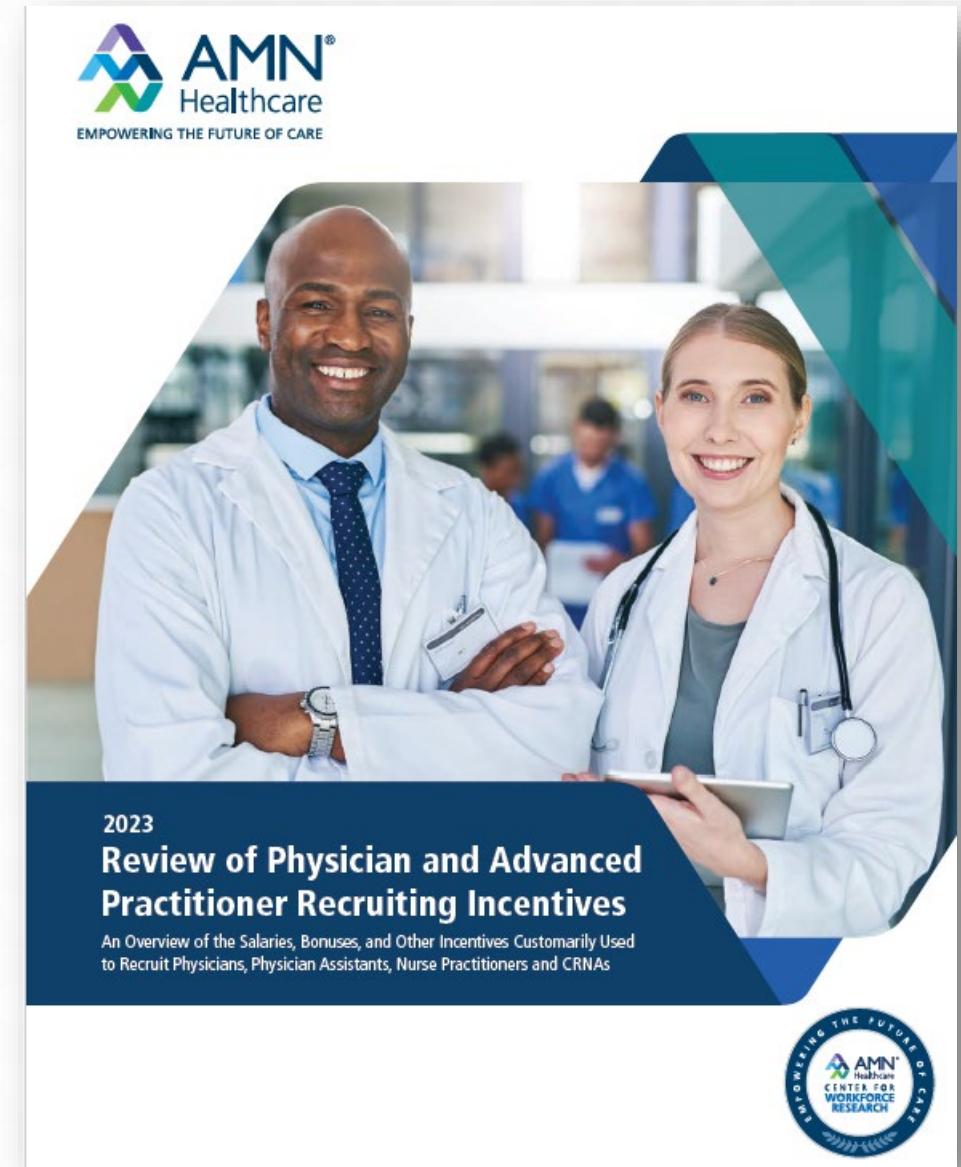
Representative sample of 2,676 real world recruiting engagements

National sample

Starting salaries, not total compensation

National benchmark for physician, NP and PA recruiting incentives and trends

No one else has this volume or duration of data



# What Does it Tell Us?

Types of  
physicians/APs  
in most  
demand

Types of  
organizations  
recruiting  
physicians

What is  
“current and  
competitive?”  
Salaries,  
signing  
bonuses,  
production  
bonuses, etc.

# Market Context: What is Driving Supply and Demand for Physicians/APs?

## 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

# PHYSICIAN SUPPLY, WASHINGTON

<b>Physicians per 100,000 pop:</b>	<b>285</b>
US	286.5
Rank	22

<b>Physicians aged 60+</b>	<b>32%</b>
US	33.7%

<b>Residents per 100,000 pop</b>	<b>25.3</b>
US	36.6
Rank	35

<b>Resident retention rate:</b>	<b>41%</b>
US	38.2%
Rank	19

Source: Association of American Medical Colleges



# Limited Supply Of Physicians= Longer Waits

## 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*

# More Competitors Fishing In Small Pond



## Retail clinics.

79.6 million patients in 2022 (30% of the population), up from 61.5 million in 2021. Visits to primary care offices declining.



## Urgent Care.

95.5 million patients in 2022 (36.5% of the population), up from 89.3 million in 2020



## Telehealth.

8% of Americans used telehealth prior to the pandemic, 68% after.



## Private Equity.

Hospital acquisition of physician practices up 9% from 2019-2022. Private equity acquisitions up 86%



## Insurance companies.

Optum/United Health employs/is affiliated with 60,000 physicians, largest physician employer in U.S.



## Hospitals, medical groups, FQHCs.

Trying to compete, stay relevant





# One Constant in a Changing Market: Physicians are the Rainmakers

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*



# The X Factor: Workforce Volatility

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48% of all Physicians' searches are to replace doctors who left, up 16% since 2018

Physician burnout, turnover made worse by CMS 2023 Physician Fee Schedule reducing the RVU conversion factor by 2.1% to \$33.8)

## Moral of the Story: Be an “Employer of Choice”



Focus on value of physicians (AMN Billing Report)



Enhance retention strategies (AMN white paper on retention)



Be competitive (AMN Incentive Review)

# Who Is In Demand? AMN's "TOP TEN"

## Nurse Practitioners

NP was our most requested search engagement for third consecutive year:

- Rise of “convenient care” – urgent care, retail, telemedicine
- Cost containment/capitated payments
- Practice autonomy
- Rising role in rural areas/mental healthcare

# A New “Front Door” To The Healthcare System

## Advance Practice (NPs, PAs, CRNAs)

Advanced  
Practitioners  
= 19% of our  
search  
engagements

Up from 13%  
three years  
ago

## Primary Care Physicians

Primary care  
physicians =  
17% of our  
search  
engagements

Down from  
20% two  
three years  
ago

# Decline in Demand For Primary Care is Relative

Family Medicine #2 on list (#1 for 14 consecutive years)

Fits team-based, value-based model

Fits population health management

Retains role as gatekeeper

Manager of multiple chronic conditions/elder patients

# Specialists in The Spotlight

64% of Physician Perm search engagements for specialists

Radiology

OB/GYN

Anesthesiology

Psychiatry

Gastroenterology

Cardiology

Hematology-Oncology

Hospitalist

Neurology

Urology

Dermatology

Pulmonology

Rheumatology

Endocrinology

# Psychiatry Down, OBGYN Up

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Number of psychiatry searches down, but **average salary up by 19%**

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Many clients turning to **NPs** or **Psychologists**

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100 NP psychiatric programs added to nursing schools in last ten years, training **13,000 providers**

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Number of NPs seeing Medicare patients for mental health problems up **161%** from 2010-2019, just 6% for Psychiatrists

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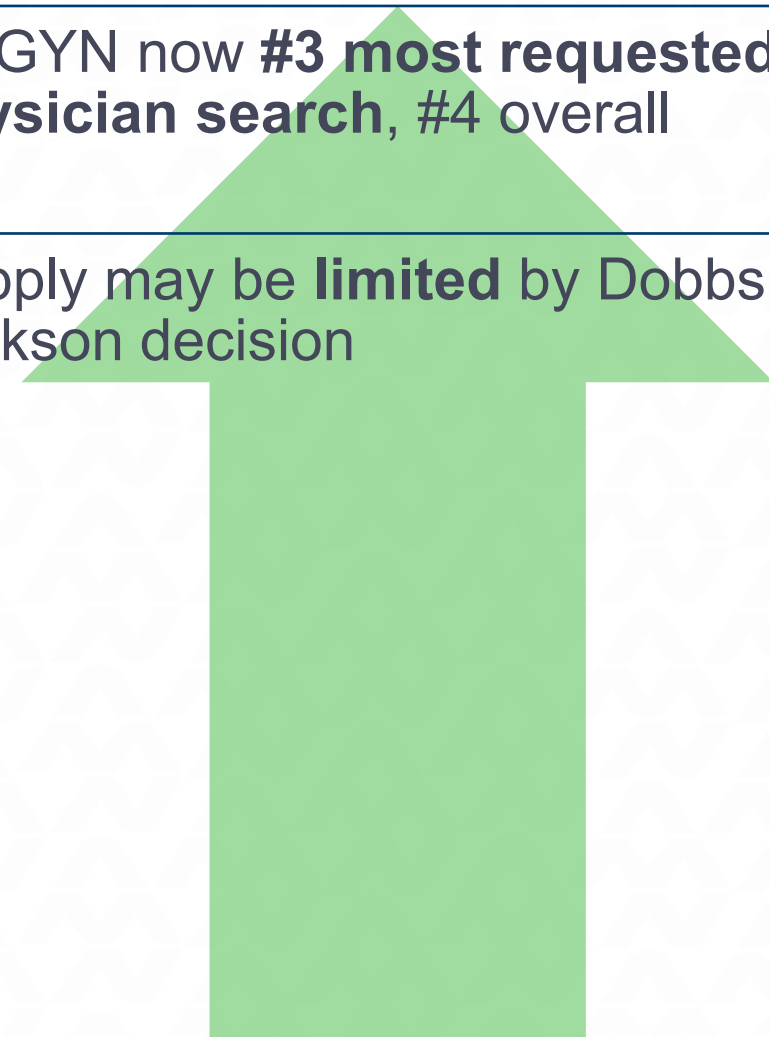
AMN seeing growing number of **Psychology** searches

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OBGYN now **#3 most requested physician search, #4 overall**

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Supply may be **limited** by Dobbs vs. Jackson decision





# Specialists Lead In “Absolute Demand” (number of job openings per physicians in specialty)

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

# Who Is Recruiting?

## Hospitals

- 35% of searches.
- Personnel shortages #1 concern of CEOs (ACHE)
- About 50% in the red
- Moving to outpatient, use of APs
- Shutting, reducing unprofitable service lines (pediatrics)

## Academic Medical Centers

- Academic Medical Centers (AMC)
- 31% of searches
- More clinical work/procedures
- Difficulty attracting radiologists/anesthesiologists
- Compensation disadvantage
- Competition with locums for candidates
- DEI a priority

## Other:

### Medical Groups:

- 24% of searches
- Staffing number one concern of group managers (MGMA)

### FQHC's:

- 5% of searches
- Still Funded, still supported by Congress

### Solo/Partnership:

- 2% of searches
- 75% of physicians now employed by a hospital, health system, Insurance company or investor-owned group

# Starting Salaries Up Across The Board

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%
			<b>DECREASE</b>
Cardiology (non-inv.)	\$433,000	\$484,000	-10%
Neurology	\$354,000	\$356,000	-1%

# Year-Over-Year Starting Salaries: Primary care

Primary Care	2021/22	2022/23	Increase/Decrease
Family medicine	\$251,000	\$255,000	+2%
Internal Medicine	\$255,000	\$255,000	0%
Pediatrics	\$233,000	\$232,000	-0.43%



# Physician Contract Structures: The “Volume Vs. Value”

Straight Salary	Salary w/production bonus	Income Guarantee	Other
32%	62%	4%	2%

STRAIGHT SALARIES GAINING FAVOR -- “KEEP IT SIMPLE”



# Salary W/Production Bonus: On What Was The Bonus Based?

RVU's	Net Collections	Gross Collections	Patient Encounters	Quality (Patient satisfaction, protocol, adherence, cost adherence, etc)
59%	20%	1%	5%	25%

Quality down from last year \*

# What Amount Of Total Physician Compensation Based On “Quality?”

14%

Quality payments  
still aspirational



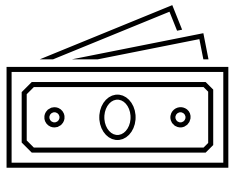
# Relocation and Signing Bonuses

## RELOCATION ALLOWANCES OFFERED: 62%



	Low	Average	High
Physician	\$3000	\$12,778	\$150,000
NP and PA	\$3000	\$7,887	\$25,000

## SIGNING BONUS OFFERED: 63%



	Low	Average	High
Physician	\$5000	\$37,473	\$570,000
NP and PA	\$2000	\$8,335	\$25,000


# Educational Loan Repayment Offered: 18%

	2022/23
One Year	24 (5%)
Two Years	53 (11%)
Three Years Plus	404(84%)

	Low	Average	High
Physicians	\$10,000	\$98,665	\$140,000
NP & PA	\$10,000	\$70,769	\$140,000



# Key Takeaways

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- The “Seven P’s” are driving a buyer’s market for Physicians/NPs
  - More players are vying for a limited supply of candidates
  - Physicians drive revenue
  - Be an employer of choice – focus on recruiting/retention

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