



Carnahan Group Special Topics Review

Physician and Advanced Practice Provider Recruiting Incentives

November 2021

Summary

Carnahan Group illustrated in a July 2016 article how Advanced Practice Providers (“APPs”) will begin to fill most of the care delivery roles in the future due to the increasing shortage of physicians.¹ According to new data published by the Association of American Medical Colleges (“AAMC”), the United States could see an estimated shortage of between 37,800 and 124,000 physicians by 2034, including shortfalls in both primary and specialty care.² The COVID-19 pandemic has further exacerbated the national shortage in physician and advanced practice providers (“APPs”), predominantly in primary care specialties.

Validating Carnahan Group’s prediction, AAMC indicated that demand for nurse practitioners (“NPs”) and physician assistants (“PAs”) is increasing. For the first time, NPs placed second on Merritt Hawkins’ list of most requested search engagements. And, the number of searches Merritt Hawkins conducted for NPs and PAs increased by 54% year-over-year, with their role likely to increase post-COVID-19.

While the subject is addressed in another Carnahan Group issue brief, [Compensating Physicians for APP Supervision](#), the prevalence of physicians being compensated for providing APP supervision is also on the rise.

Recruiting Incentive Data for Physicians and APP’s

Hospitals and health systems recruiting both APPs and physicians are feeling the pressure of the provider shortage. As a result, these organizations are having to increasingly offer lucrative recruiting incentives to help fill the coverage gap. The need and amount for recruiting incentives are generally tied to the supply and demand of qualified providers, competitive environment, community attractiveness, work demands of the position, etc. Carnahan Group generally observes richer incentives being offered in rural and isolated locations.

The *2020 Review of Physician and Advanced Practitioner Recruiting Incentives and the Impact of COVID-19* is based on a sample of 3,251 permanent physicians and advanced practitioners search engagements that Merritt Hawkins/AMN Healthcare’s physician staffing companies had ongoing or were engaged to conduct during the 12-month period from April 1, 2019, to March 31, 2020. The following table illustrates the top 10 specialty responses compiled from the survey.

¹ <https://carnahangroup.com/industry-news/compensating-physicians-app-supervision/>

² <https://www.aamc.org/news-insights/press-releases/aamc-report-reinforces-mounting-physician-shortage>



Top 10 Responses by Specialty	
Specialties	Responses
Family Medicine (includes FP/OP)	448
Nurse Practitioner	270
Psychiatry	182
Radiology	163
Internal Medicine	146
OB/GYN	122
Cardiology	115
Hematology & Oncology	91
Physician Assistant	84
Anesthesiology	72

The following data gathered by Merritt Hawkins provides insight into the types and amounts of incentives currently being offered to Physicians and APPs.

Physician	Relocation Allowance*
Low	\$ 1,000
Average	\$ 10,553
High	\$ 40,000

*Merritt Hawkins 2019/2020 Data

Advanced Practice Provider	Relocation Allowance*
Low	\$ 2,000
Average	\$ 7,114
High	\$ 15,000

*Merritt Hawkins 2019/2020 Data

Physician	Sign-on Bonus*
Low	\$ 2,500
Average	\$ 27,893
High	\$ 100,000

*Merritt Hawkins 2019/2020 Data

Advanced Practice Provider	Sign-on Bonus*
Low	\$ 2,500
Average	\$ 8,500
High	\$ 35,000

*Merritt Hawkins 2019/2020 Data

Physician	Educational Loan Assistance
Low	\$ 10,000
Average	\$ 101,590
High	\$ 300,000

*Merritt Hawkins 2019/2020 Data

Advanced Practice Provider	Educational Loan Assistance
Low	\$ 40,000
Average	\$ 68,333
High	\$ 90,000

*Merritt Hawkins 2019/2020 Data

How We Can Help

Carnahan Group has analyzed a myriad of compensation arrangements that include recruiting incentives for physicians and APP's. The FMV-MD™ platform empowers Carnahan Group's Clients with the ability to enter recruiting incentives for physicians and APP's while



analyzing the total compensation package for stacking purposes. Additionally, Carnahan Group utilizes proprietary data, which is consistent with the data presented above by Merritt Hawkins, to analyze recruiting incentives.

Carnahan Group is a national health care consulting firm specializing in strategic, business, and compensation valuation services. The firm also performs Community Health Needs Assessments ("CHNAs"), Physician Workforce Analyses and Planning along with strategic advisory services. Carnahan Group's clients encompass large integrated and academic health systems, physician practices, and various ambulatory care providers, rural hospitals as well as pharmaceutical and device companies. Please contact Carnahan Group for additional information or a focused analysis on physician and APP recruiting incentives.

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