HVG's **2024** Physician & APP Compensation and Recruiting Report

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HealthValueGroup
Identifying *FMV* in the healthcare space

Each year, HVG's analysts review market data and industry trends from a variety of news sources, recruiting reports, and surveys published by organizations such as AMN Healthcare Physician Solutions Division (formerly known as Merritt Hawkins), Medscape, Physicians Thrive (PT), and Doximity. HVG compiles a summary of findings discussing the current state of the healthcare provider compensation and recruiting environment in the US.

Executive Summary

The healthcare landscape is experiencing notable shifts in provider compensation and demand. Average starting salaries for physicians and Advanced Practice Providers (APPs) continues to rise, with specialists seeing particularly significant increases. Demand remains high for Nurse Practitioners (NP) and family physicians, while mental health providers and specialists remain in critical need. As the physician shortage looms, these trends highlight both the growing financial incentives and the evolving challenges within the healthcare workforce.

Physician compensation has seen steady growth over the past few years. However, with a peak inflation rate of 3.7% in 2023, the real income for physicians nationwide has risen compared to 2022.

Highlights 2023

- Physician salaries have generally risen, with notable increases in specialties like Hematology and Family Medicine.
- Average physician compensation saw a nearly 6% increase from 2022 to 2023, with eight metropolitan areas experiencing rises of over 10%.
- Average starting salaries for physicians and APPs generally increased year-over-year.
- Nurse Practitioners and family physicians are in the most demand.
- The average signing bonus for physicians continues to rise. Most bonus formulas continue to incorporate RVUs.
- Male physicians earned about 29% more than female physicians in 2023, with the gap persisting across most specialties, though smaller in fields like Medical Genetics and Hematology.
- The average starting salary offers for specialists were generally up year-over-year.

Providers in Demand

According to placements and searches conducted by AMN, the top 8 providers in the highest demand and their average salaries were:

Providers in Highest Demand

Specialty Type	Average Salary
1. Nurse Practitioner	$164,000
2. Family Medicine	$271,000
3. Obstetrics & Gynecology	$389,000
4. Internal Medicine	$271,000
5. Gastroenterology	$531,000
6. Radiology	$495,000
7. Cardiology (Non-inv.)	$396,000
8. Anesthesiology	$460,000

Source: AMN 2024 Review of Physician and Advanced Practitioner Recruiting Incentives

- For the fourth consecutive year, NPs topped AMN's list of most requested searches, with family physicians coming in second.
- Continued focus on mental health and post-pandemic stress has kept psychiatrists on the most in-demand list.
- Currently, AMN conducts more searches for APPs than it does for primary care physicians.
- The majority of physician searches and placements remain for specialists.

Although primary care physicians continue to be in demand, overall demand is significantly down over prior years.

Who's hiring...? In 2023, hospital-employed positions accounted for approximately 28% of placements, while group practice stood at 26%.

Payday

- It comes as no surprise that physician compensation has steadily increased in the past few years, as the supply of physicians has declined. It's a classic supply and demand dynamic. However, some specialties experienced a greater increase in compensation than others.
- Medscape's 2024 Physician Compensation Report states that on average, a US physician's total compensation grew by about 3% in 2023. Pay rose by approximately 4% for an average primary care physician, and around 3% for specialists.
- Physicians on average earned approximately $363,000 in 2023, up from $352,000 in 2022 (Medscape).

Highest Average Compensation Growth by Specialty

Specialty	% Change
1. Hematology	12.4%
2. Family Medicine	10.2%
3. Infectious Disease	9.0%
4. Plastic Surgery	8.5%
5. Occupational Medicine	8.5%

Source: Doximity 2024 Physician Compensation Report

- Hematology and Family Medicine had the largest growth per Doximity in 2024, at 12.4% and 10.2% respectively.

Top 5 Highest Average Annual Earnings

Specialty	Compensation
1. Orthopedic Surgery	$633,000
2. Urology	$540,000
3. Plastic Surgery	$536,000
4. Cardiology	$525,000
5. Gastroenterology	$509,000

Source: Medscape & AMN Healthcare

- Based on average figures reported by Medscape and AMN Healthcare, physicians specializing in Orthopedic Surgery and Urology earn the highest average annual compensation.
- According to PT and Doximity's 2024 reports, adult surgical and procedural specialties are among the highest-compensated specialties when using median figures.
- Self-employed physicians, on average, earned more than employed physicians by roughly 11% in 2023, up from 9% in 2022 (Medscape).

Highest Average Compensation Decline by Specialty

Specialty	% Change
1. Plastic Surgery	-13.0%
2. Ophthalmology	-7.0%
3. Emergency Medicine	-6.0%
4. Physiatry	-5.0%
5. Allergy & Immunology	-5.0%

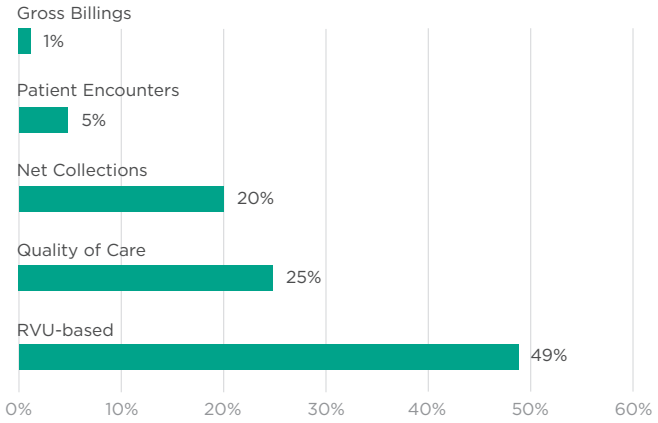
Source: Physicians Thrive and Medscape 2024 Physician Compensation Reports

- PT and Medscape report that Plastic Surgery and Ophthalmology had the largest declines at 13.0% and 7.0% respectively.

Bonus Pay

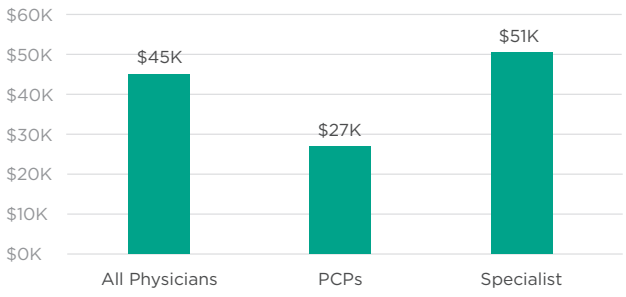
- Per PT, the average signing bonus for physicians was $37,473 in 2023, an increase of 20% over the previous year.

Types of Bonuses Earned by Physicians
(per Physicians Thrive)



- RVU production continues to be the most common method for calculating bonuses, followed by net collections.
- Bonuses based on quality continue to decline in importance, at 25% in 2023/2024 as compared to a high of 64% in 2019/2020.
- Among specialists, reported bonuses according to Medscape were highest for dermatologists (approximately $142,000), orthopedists ($102,000), and cardiologists ($75,000).

Average Incentive Bonuses
(per Medscape)



- According to AMN, a salary with bonus is the most common type of contract offered to physicians (at 62%), compared to a contract with just a salary (at 32%).

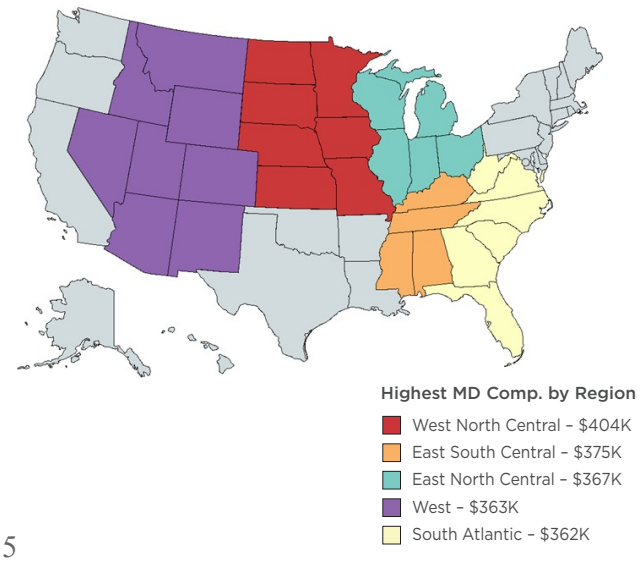
Recruiting Incentives

- Relocation money for physicians averaged $11,284 and $7,910 for NPs and PAs.
- On average, 51% of provider searches offered signing bonuses (AMN).
- The average signing bonus for physicians was $31,473, while the average signing bonus for NPs and PAs was $11,758 (AMN).
- AMN saw a 43% decrease in the highest physician signing bonus from $570,000 to $325,000.
- The average signing bonuses for NPs and PAs increased by 40% in 2023, compared to a decrease of 8% in 2022.
- On average, 55% of new offers included a re-location allowance.

Relocation allowance for physicians averaged $11,284 and $7,910 for APPs (AMN).

- The average education loan forgiveness was $78,333 for APPs and for $117,217 for physicians.
- The majority of education loan forgiveness was at 3 or more years.

Geographic Earning Trends



According to Medscape, the top earning regions for physicians include:

Highest Average Compensation by Region	
Region	Compensation
1. West North Central	$404,000
2. East South Central	$371,215
3. East North Central	$371,495
4. West	$378,273
5. South Atlantic	$380,533

Source: Medscape Physician Compensation Report 2024

In 2023, eight out of the 50 metropolitan areas analyzed experienced a rise in average physician compensation of over 10%.

- Some metro areas pay physicians better than others. Metro areas that pay the highest physician salaries:

Highest Average Compensation by Metro Area	
Metro Area	Compensation
1. Los Angeles	$448,121
2. San Jose	$446,789
3. St. Louis	$434,473
4. Sacramento	$432,532
5. Minneapolis	$432,195

Source: Physicians Thrive & Doximity 2024 Report

Highest Average Compensation Growth by City	
Metro Area	% Change
1. Raleigh, NC	15.6%
2. San Jose, CA	13.5%
3. Los Angeles, CA	11.5%
4. San Francisco, CA	10.6%
5. Baltimore, MD	10.6%

Source: Doximity 2024 Physician Compensation Report

- Between 2022 and 2023, the average compensation for U.S. physicians increased nearly 6% (5.9%), rebounding from a slight decline of 2.4% in the previous year.

The lowest earning metro areas for physicians, on average, are:

Lowest Average Compensation by Metro Area	
Metro Area	Compensation
1. Baltimore, MD	$346,260
2. Boston, MA	$356,817
3. Denver, CO	$359,383
4. Nashville, TN	$362,913
5. Washington, DC	$364,113

Source: Physicians Thrive & Doximity 2024 Report

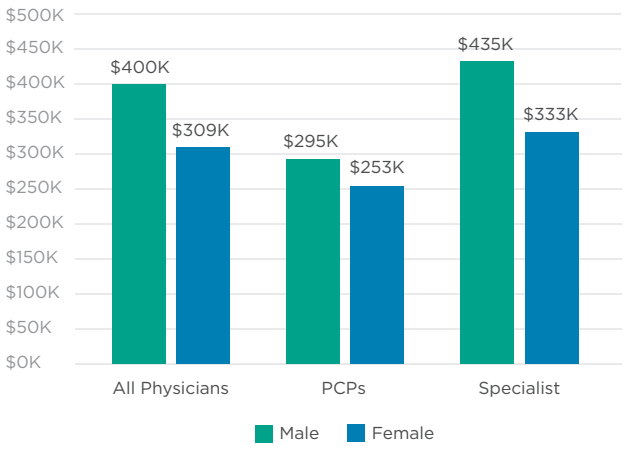
According to AMN Healthcare, the top cities for high-paying Family Medicine locum tenens jobs are:

- San Francisco, CA
- New York, New York
- Boston, Massachusetts
- Seattle, Washington
- Houston, Texas

Gender Disparities

Medscape reports that nationally, a full-time male physician, on average, made about 29% more than a full-time female physician in 2023.

Male & Female Physician Pay Comparisons
(per Medscape)

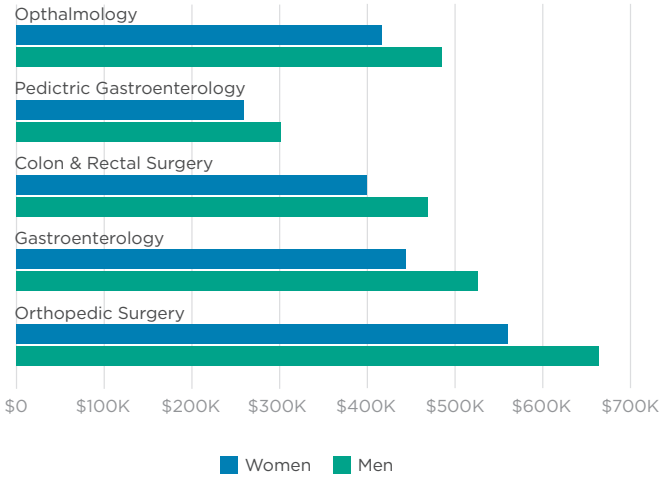


- Per Medscape, the gender pay gap decreased in 2023 for primary care; down from 19% in 2022 favoring male physicians to 17% in 2023.
- Male specialists outearned female specialists by 31% in 2023 compared to 27% in 2022 (Medscape).
- Women physicians, on average, earn nearly $102,000 less than men physicians (Doximity).
- Per Doximity, all specialties had gender pay gaps exceeding 8%, with the exception of three specialties: Medical Genetics (3.5%), Hematology (4.3%), and Occupational Medicine (6.5%).

Specialties with the Largest Pay Gaps			
Specialty	Men	Women	Difference
Orthopedic Surgery	$661,801	$559.222	18.3%
Gastroenterology	$525,931	$444,511	18.3%
Colon & Rectal Surgery	$468,984	$398,802	17.6%
Pediatric Gastroenterology	$301,556	$258,098	16.8%
Opthalmology	$484,409	$417,212	16.1%

Source: 2024 Physician Compensation Report

Doximity – 2023 Specialties with the Largest Pay Gap Between Men & Women Physicians

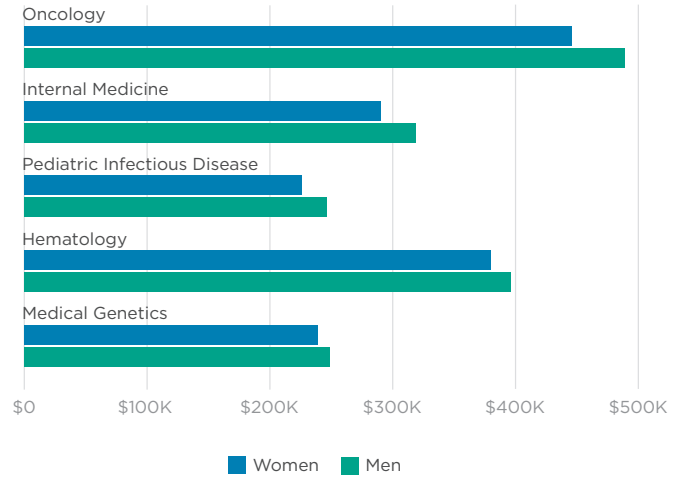


- Per Doximity, the largest gaps in pay are from surgical specialties, while the smallest gaps are from Medical Genetics and Hematology.

Specialties with the Smallest Pay Gaps

Specialty	Men	Women	Difference
Medical Genetics	$249,039	$240,210	3.7%
Hematology	$398,113	$380,846	4.5%
Pediatric Infectious Disease	$246,455	$226,016	9.0%
Internal Medicine	$319,847	$291,422	9.8%
Oncology	$491,439	$447,038	9.9%

Doximity – 2023 Specialties with the Smallest Pay Gap Between Men & Women Physicians



Physician Shortages

- Per Doximity, a report published by the Association of American Medical Colleges (AAMC) projects that the U.S. will face a physician shortage of up to 86,000 physicians by 2036. While this shortage is smaller than AAMC's 2021 projections (up to 124,000 physicians by 2034), the physician shortage remains a critical patient access issue.

The physician shortage can be characterized as a looming public-health crisis.

What factors are directly contributing to the physician shortage?

- Administrative tasks (70% of physicians surveyed cite this as a factor)
- Diminished supply of physicians (66% of physicians surveyed cite this as a factor)
- Staffing challenges (65% of physicians surveyed cite this as a factor)
- Greater patient needs (56% of physicians surveyed cite this as a factor)

What are the potential impacts of a physician shortage on patient access?

- Longer wait times
- Diminished access to healthcare services
- Worse healthcare disparities
- Delayed treatment or medical intervention

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