HVG's **2025** Physician & APP Compensation and Recruiting Report

12TH ANNUAL
2013 – 2025

HealthValueGroup
Identifying FMV in the healthcare space

Each year, our 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 (AMN) Division (formerly known as Merritt Hawkins), The Medicus Firm (TMF), Medscape, Physicians Thrive (PT), and Doximity. HVG compiles a summary of these findings discussing the current state of the healthcare provider compensation and recruiting environment in the US.

Executive Summary

The 2024 physician compensation landscape reflected a transition from the rapid recovery and wage inflation of the post-pandemic years to a more measured phase of normalization. The 2025 surveys from Medscape, Doximity, AMN Healthcare, and The Medicus Firm collectively indicate that compensation growth remained positive in 2024, but moderated as organizations recalibrated budgets amid reimbursement compression, persistent inflationary pressures, and workforce stabilization. Employers continued to compete aggressively for talent, particularly in primary care and high-demand specialties, yet did so through targeted incentives rather than across-the-board salary escalation.

At the same time, structural imbalances—most notably the widening gender pay gap, persistent undervaluation of pediatric and cognitive disciplines, and widening regional disparities—highlight that market forces alone are insufficient to correct longstanding misalignments. Health systems are responding with redesigned compensation models emphasizing productivity transparency, quality-linked performance, and retention incentives that support Fair Market Value (FMV) defensibility under evolving regulatory scrutiny.

Overall, calendar 2024 can be characterized as a year of equilibrium rather than expansion—one defined by stability, strategic restraint, and a renewed focus on sustainability in both financial and workforce terms.

2024 Highlights

- Compensation growth slowed but remained positive. Overall physician pay rose between 2.9% and 3.7% in 2024, signaling moderation after years of pandemic-driven catch-up. (Sources: Medscape 2025 and Doximity 2025)
- Primary care gained share. PCP compensation grew faster than specialist pay (+3.9% vs +2.4%) as health systems focused on access and population-health coverage. (Source: Medscape 2025)
- Incentives held steadily. Average signing bonuses approached $38K and incentive payouts averaged $48K, with 63% of physicians earning a bonus. (Sources: AMN 2025 and Medscape 2025)
- Gender pay gap widened. Female physicians earned roughly 26% less than male peers—about $121K annually—even after adjusting for specialty and tenure. (Source: Doximity 2025)
- Top earners unchanged. Neurosurgery, Thoracic Surgery, and Orthopedics remained the three highest-paid specialties; Pediatric Endocrinology and Pediatric Rheumatology remained at the bottom. (Source: Doximity 2025)
- Regional patterns solidified. The Midwest and South led national averages, while coastal markets lagged after cost-of-living adjustments. (Sources: Doximity 2025; Medscape 2025)

Providers in Demand

- **Nurse practitioners remain the most requested providers.** For the fifth straight year, NPs led AMN's national search rankings. Among physician searches (excluding NPs), the top five were Family Medicine, Anesthesiology, Internal Medicine, Radiology, and Gastroenterology. (Source: AMN 2025)

Providers in Highest Demand

Specialty Type	Searches
1. Nurse Practitioner	222
2. Family Medicine	134
3. Anesthesiology	103
4. Internal Medicine	89
5. Radiology	76
6. Gastroenterology	73
7. Cardiology	71
8. Obstetrics & Gynecology	65

Source: AMN 2025 Review of Physician and Advanced Practitioner Recruiting Incentives

- **Specialists still dominate demand.** AMN Healthcare's 2025 Review shows that 78% of physician search engagements were for specialists, led by Radiology, Anesthesiology, Gastroenterology, and Cardiology. The Medicus Firm similarly reports that two-thirds of actual placements were in specialist roles, underscoring continued demand for specialist service lines. (Sources: AMN 2025; TMF 2025)

- **Employment models continue consolidating.** Hospital-employed and academic roles now account for ~62% of placements (44.6% hospital-employed; 17.7% academic), reflecting ongoing consolidation and waning independence. Independent groups remain viable but increasingly align under MSO/PE structures for capital and administrative scale. (Sources: TMF 2025; AMN 2025)

- **Recruiting dynamics evolve beyond pay.** AMN data show longer appointment wait times and persistent specialty shortages, particularly in psychiatry, anesthesiology, and pediatric fields—areas where burnout and workload deter candidates despite rising pay. TMF reports that academic anesthesiology hiring surged to 54% of placements as hospitals sought to fill chronic gaps, while psychiatry and pediatric subspecialties remain among the most difficult roles to staff. Together, these trends confirm that **compensation alone no longer drives recruitment success.** (Sources: AMN 2025; TMF 2025)

Compensation Structures ("Payday")

Highest Average Compensation Growth by Specialty

Specialty	% Change
1. Pediatric Nephrology	15.6%
2. Preventative Medicine	10.0%
3. Pediatrics	8.5%
4. Radiology	7.5%
5. Hematology	7.4%

Source: AMN 2025 Review of Physician and Advanced Practioner Recruiting Incentives

- **Pediatric and prevention-focused specialties led all compensation growth in 2025.** AMN Healthcare reports that Pediatric Nephrology (+15.6%), Preventive Medicine (+10.0%), Pediatrics (+8.5%), Radiology (+7.5%), and Hematology (+7.4%) experienced the largest year-over-year increases in average starting salaries. These gains reflect renewed investment in chronic-

care coordination, early-intervention programs, and imaging-driven diagnostic capacity across hospitals and health systems. (Source: AMN 2025)

- **Practice setting continues to be a major driver of compensation differences.** According to Doximity, physicians in single-specialty groups earn an average of $476K compared to $303K in government settings, highlighting how hospital or government employment tends to compress earnings relative to the productivity-based rewards of private practice. (Source: Doximity 2025)

Top 5 Highest Average Annual Earnings

Specialty	Compensation
1. Neurosurgery	$749,140
2. Thoracic Surgery	$689,969
3. Orthopaedic Surgery	$679,517
4. Pediatric (General) Surgery	$647,721
5. Plastic Surgery	$621,445

Source: Doximity 2025 Physician Compensation Report

- **Procedural specialties dominate earnings.** Doximity reports Neurosurgery ($749K), Thoracic Surgery ($690K), and Orthopedics ($680K) at the top, while pediatric subspecialties anchor the bottom (e.g., Pediatric Endocrinology ~$230K, Pediatric Rheumatology ~$232K, Pediatric Infectious Disease ~$248K). Adult generalist fields like Family Medicine ($319K) and Internal Medicine ($326K) remain lower-tier but not the lowest overall. (Sources: Doximity 2025; Medscape 2025)
- **Selective rebounds in medical subspecialties.** Medscape 2025 data show meaningful year-over-year gains among Endocrinology (+7%), Nephrology (+6%), and Infectious Disease (+6%), while Dermatology (–5%) and Cardiology (–2%) experienced slight declines. The pattern suggests that chronic-care specialties benefited from renewed hospital demand, while procedure-heavy fields faced payer pressure and utilization normalization. (Source: Medscape 2025)
- **Specialties experiencing compensation contraction.** According to AMN Healthcare's 2025 Review, several procedure-oriented and hospital-based specialties reported notable year-over-year declines in average compensation. Orthopedic Surgery (–16%), Neurology (–10.1%), Obstetrics/Gynecology (–4.5%), and Hospitalist medicine (–1.3%) led the contraction trend. These decreases likely reflect post-pandemic normalization of surgical volume, tighter payer reimbursement, and the absorption of prior recruitment premiums offered during high-demand cycles. The data suggest a recalibration in markets that previously exhibited inflated compensation during 2021–2023. (Source: AMN 2025)

Highest Average Compensation Decline by Specialty

Specialty	% Change
1. Orthopedic Surgery	-16.0%
2. Neurology	-10.1%
3. Obstetrics/Gynecology	-4.5%
4. Hospitalist	-1.3%

Source: AMN 2025 Review of Physician and Advanced Practioner Recruiting Incentives

- **Academic compensation gap widens.** Starting salaries averaged $338K in academic positions versus $425K in non-academic roles, reflecting slower institutional budget recovery and mission-based pay structures. (Source: AMN 2025)

Bonus and Incentive Pay

- **Prevalence and structure.** Roughly 63% of physicians participated in an incentive program in 2025, according to Medscape. RVU production (60%) remained the most common bonus determinant, followed by quality metrics (43%) and patient satisfaction (26%). The data confirm that productivity continues to outweigh quality or efficiency in most compensation structures. (Sources: Medscape 2025; AMN 2025)
- **Magnitude and distribution.** Medscape 2025 reports that physicians who earned bonuses received an average award of approximately $48,000, consistent with prior-year levels. AMN Healthcare's 2025 report indicated an average signing bonus of $38,215 for physicians and $12,869 for advanced practice providers (APPs). High-volume procedural fields such as Orthopedics, Radiology, and Cardiology continue to see six-figure incentive potential, underscoring the dominance of productivity-linked compensation in market practice. (Sources: Medscape 2025; AMN 2025)

Top 5 Highest Average Signing Bonuses by Specialty

Specialty	Bonus
1. Anesthesiology	$59,583
2. Internal Medicine	$56,903
3. Family Medicine	$47,417
4. Gastroenterology	$47,174
5. Radiology	$39,706

Source: AMN 2025 Review of Physician and Advanced Practioner Recruiting Incentives

- **Signing bonuses surge in procedural and hospital-based fields.** AMN's 2025 analysis ranks Anesthesiology ($59.6K), Internal Medicine ($56.9K), Family Medicine ($47.4K), Gastroenterology ($47.2K), and Radiology ($39.7K) among the top specialties for average signing bonuses, with maximum offers exceeding $200K–$250K in some placements. The data highlight sustained competition for revenue-generating and access-critical specialties, even as base salary growth stabilizes. (Source: AMN 2025)

- **Recruiting incentives shift to retention.** Roughly 16% of AMN searches included loan-repayment clauses averaging $104K for physicians and $50K for APPs, emphasizing long-term retention rather than front-loaded pay. (Source: AMN 2025)

Geographic Earning Trends

Highest Average Compensation by Region

Region	Compensation
1. Midwest	$385,000
2. South	$375,000
3. West	$369,000
4. Northeast	$363,000

Source: Medscape Physician Compensation Report 2025

- **Regional aggregates.** Medscape's 2025 data show the Midwest ($385 K) and South ($375 K) leading in average physician pay, ahead of the West ($369 K) and Northeast ($363 K). The pattern mirrors long-standing payer-mix differences—Midwestern markets benefit from lower managed-care penetration, while Northeastern regions remain constrained by academic and urban cost structures. (Source: Medscape 2025; TMF 2025)

- **Regional variation broadens.** Doximity identified pay increases in 54 of 60 metro areas, led by Austin (+11.1%), Kansas City (+10.0%), and Buffalo (+9.8%)—a pattern tied to clinician migration toward secondary, lower-cost markets. (Source: Doximity 2025)

Highest Average Compensation by Metro Area

Metro Area	Compensation
1. Rochester, MN	$496,000
2. St. Louis, MO	$485,000
3. Los Angeles, CA	$470,000
4. San Jose, CA	$469,000
5. Sacramento, CA	$460,000

Source: Physicians Thrive & Doximity 2024 Report

- **Top-earning metros.** Rochester, MN ($496K) and St. Louis, MO ($485K) led national averages, supported by integrated-group efficiencies and lower payer discounting. (Source: Doximity 2025)

Lowest Average Compensation by Metro Area

Metro Area	Compensation
1. Durham-Chapel Hill, NC	$359,000
2. Rochester, NY	$364,000
3. Ann Arbor, MI	$373,000
4. Charleston, SC	$384,000
5. Washington, DC	$387,000

Source: Doximity 2025 Report

- **Lowest average compensation by metro.** The lowest-paying metros in Doximity's 2025 analysis include Durham–Chapel Hill, NC ($358,782), Rochester, NY ($364,160), Ann Arbor, MI ($373,154), and Boston, MA ($390,799). These areas are typically characterized by heavy academic presence, high provider density, and limited payer diversity. (Source: Doximity 2025)

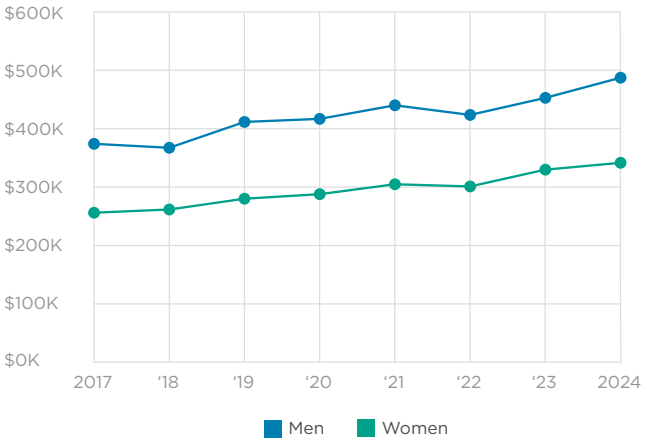
Recruitment Challenges

- **Rural markets sustain persistent recruiting pressure.** The Medicus Firm's 2025 data show that over one-third of placements occur in rural or non-metro communities, where base pay runs 8–12 percent above urban averages but searches still exceed 9 months on average. Hospitals increasingly rely on locum tenens and APP coverage to maintain access in these underserved regions. (Source: TMF 2025)

- **Rural and underserved markets remain the hardest to staff.** AMN's 2025 analysis reports that rural positions—particularly in family medicine, psychiatry, and pediatrics—can take **12+ months to fill**, even with enhanced signing bonuses and loan-repayment offers. Financial incentives alone are proving insufficient to overcome lifestyle and workload deterrents, prompting greater reliance on **APP integration and telehealth coverage** in these markets. (Source: AMN 2025)

Gender Disparities

Physician Average Annual Compensation



Source Doximity 2025

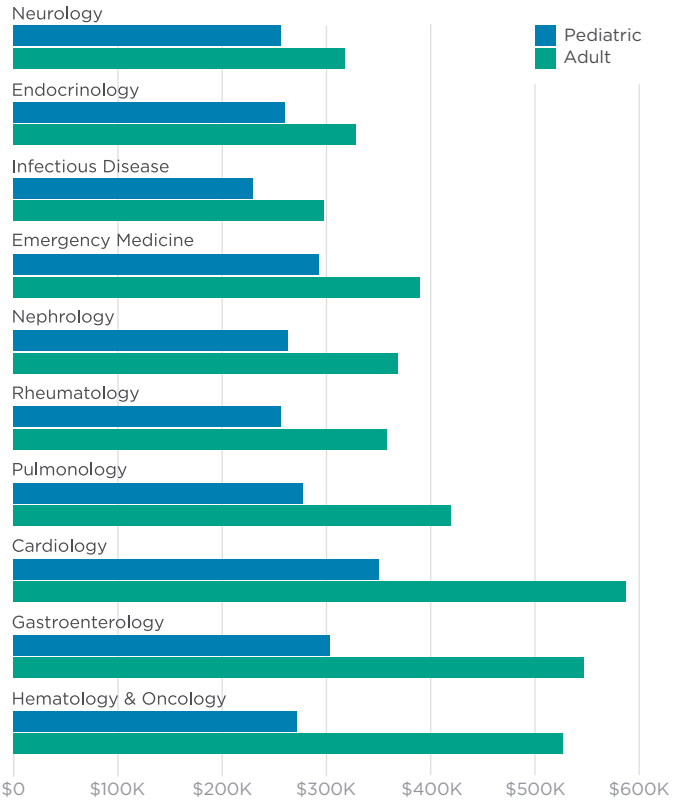
- **Magnitude and persistence.** The gender pay gap reached **26% (≈ $121K annually)** despite comparable hours and case mix, signaling structural inequities in leadership access and negotiation leverage. (Source: Doximity 2025)

- **Specialty breakdown.** The widest gaps appear in **pediatric nephrology (16.5%)**, **allergy/immunology (16.3%)**, and **ophthalmology (16.0%)**, while the narrowest occur in **neurosurgery (11.3%)** and **PM&R (11.4%)**. Procedure-heavy specialties show narrower gaps due to standardized incentive grids. (Source: Doximity 2025)

- **Trend interpretation.** Female compensation growth averaged **+1.7%**, compared with **+5.7% for males**. Systems conducting **equity audits** report smaller gaps, suggesting transparency and governance mitigate compliance risk. (Sources: Doximity 2025; Medscape 2025)

Pediatric Market and Workforce Pressures

2024 Average Compensation: Adult vs. Pediatric Specialists



Source Doximity 2025

- **Chronic undervaluation persists.** Pediatric subspecialties earn 24%–93% less than adult counterparts, driven by Medicaid-heavy payer mixes and limited procedural billing. 87% of pediatricians report their compensation undervalues workload, and 91% cite reimbursement as a care barrier. (Source: Doximity 2025)
- **Operational adaptation continues.** Two-thirds of pediatric practices have **adjusted staffing or service models**—increasing patient volume, consolidating ancillary roles, or affiliating with hospital systems to maintain viability. (Sources: Doximity 2025; AMN 2025)
- **Recruiting and retention challenges intensify.** Pediatrics ranks **6th in overall placements (TMF) and 13th in AMN's national search volume**, with smaller applicant pools driving prolonged vacancies. Loan-forgiveness incentives and tele-pediatrics expansion help but haven't closed the pay gap. (Sources: TMF 2025; AMN 2025)
- **Policy and valuation outlook.** Nearly **two-thirds of pediatric providers (67%)** support adult-parity reimbursement reforms, and **61% favor higher Medicaid rates.** If enacted, such policy shifts could meaningfully raise FMV benchmarks across pediatric subspecialties. (Source: Doximity 2025)

Conclusion

The 2025 cycle marks a plateau rather than a peak. Compensation remains historically high but now reflects discipline-specific productivity, payer exposure, and compliance governance more than market exuberance.

The market is transitioning from reactive inflation to structured, performance-anchored compensation design—balancing fiscal sustainability with workforce retention.

Methodology note: Reported figures draw from 2025 physician-compensation surveys by Medscape, Doximity, AMN Healthcare, and The Medicus Firm. Each source applies distinct sampling and weighting methods; consequently, differences in percentage changes or absolute values represent methodological variation, not analytical error. Where disparities exist, this report presents ranges or midpoint assumptions for clarity and consistency.

HVG is a nationally recognized healthcare appraisal and transaction advisory firm providing FMV opinions and business appraisals for regulatory compliance, strategic transactions, buy in/outs and commercial litigation. The Firm has extensive knowledge and experience in issuing FMV opinions for a variety of management and administrative services, as well as physician clinical services. HVG also provides formal business appraisals for a myriad of healthcare businesses, such as ambulatory surgery centers (ASC), physician practices, laboratories, DME companies, physician owned hospitals (POH) and many others. HVG is commonly hired or referred by some of the nations top healthcare law practices, as well as health systems, hospitals, life sciences companies and many other types of the healthcare enterprises.

Contact us at 303.918.3607 or cdavid@hvg-fmv.com | Or visit us at HVG-FMV.com

HealthValueGroup
Identifying *FMV* in the healthcare space

© 2025 HealthValue Group is an appraisal and consulting firm providing business valuations and fair market value opinions and is not a certified public accounting firm or a law firm. No information should be considered a formal appraisal or opinion for a specific asset or service. No information in this document should be construed as a legal opinion or advice. All Rights Reserved.