



## Report: COVID-19 Reducing Physician Compensation, Job Options

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Market for Physicians Temporarily Softens Due to Pandemic, Recruiters Say

DALLAS, July 14, 2020 /PRNewswire/ -- The coronavirus pandemic has significantly altered the job market for physicians, leading to the temporary reduction of both starting salaries and practice options for doctors, according to an annual report tracking physician recruiting trends.

Prepared by Merritt Hawkins, the nation's leading physician search firm and a company of AMN Healthcare, the *2020 Review of Physician and Advanced Practitioner Recruiting Incentives* tracks a sample of 3,251 physician and advanced practitioner recruiting engagements that the firm conducted from April 1, 2019, to March 31, 2020. Now in its 27th year, [the report](#) includes analysis suggesting that the previously robust job market for physicians has softened since the emergence of COVID-19.

"Over our 33-year history, most physicians had little difficulty finding a job opportunity, with multiple offers to choose from," said Travis Singleton, executive vice president with Merritt Hawkins/AMN Healthcare. "Today, we are seeing a growing number who are unemployed with a limited number of roles available. This is unprecedented. COVID-19 essentially flipped the physician job market in a matter of 60 days."

The report indicates that while Merritt Hawkins saw an increase in physician search engagements over the 12 month period ending March 31 of this year, demand for physicians since March 31, as gauged by number of new search engagements, has declined by over 30 percent. At the same time, the number of physicians contacting Merritt Hawkins about job opportunities has increased. This has created an opportune market for those healthcare facilities seeking physicians.

"Conditions for those hospitals and medical groups that continue to recruit physicians are about as favorable as we have ever seen," Singleton said.

The soft job market for physicians is a result of the devastating economic impact COVID-19 has had on the healthcare industry. The American Hospital Association (AHA) reports that hospitals and health systems lost \$200 billion in the first quarter of this year. The Medical Group Management Association (MGMA) indicates that physician practice revenue has declined by an average of 55%, as patients have been either unable or unwilling to seek medical treatment. As a result, fewer physician practices and hospitals are seeking physicians as they struggle with lower revenues and focus on treating COVID-19 patients.

### Physician Shortages Will Return

The decrease in demand for doctors is likely to be temporary, Merritt Hawkins' report indicates. The various underlying dynamics driving physician supply and demand remain, including a growing and aging population, a limited supply of newly trained physicians, and an aging physician workforce. COVID-19 will not permanently change these market conditions, and demand for physicians will begin to rebound before the end of year, the report projects.

This projection is in line with a report released by the Association of American Medical Colleges (AAMC) on June 26, 2020. The AAMC report projects a shortage of up to 139,000 physicians by 2033, an increase over its 2019 projection of 121,900 too few doctors by 2032. The 2020 AAMC report suggests that COVID-19 will contribute to the physician shortage by interrupting the training of new doctors and in other ways.

"While the pandemic will change how healthcare is delivered, physicians will remain indispensable caregivers, and we anticipate a renewed demand for both their clinical services and their leadership in the post-pandemic world," Singleton said.

### New Physician Compensation Models and Telehealth

Merritt Hawkins' report tracks physician starting salaries and other incentives based on data gathered mostly prior to the emergence of COVID-19. This data shows an average starting salary for family doctors of \$240,000, compared to an average of \$423,000 for radiologists, \$464,000 for urologists, \$640,000 for invasive cardiologists, and \$626,000 for orthopedic surgeons.

Physician starting salaries are likely to decrease temporarily as a result of COVID-19, though it is difficult to project by how much, according to Singleton. The way physicians are compensated is also likely to change, with physician bonuses increasingly tied to their use of telehealth and with more physician reimbursements based on monthly payments rather than on average daily patient or work volumes.

More information about physician compensation and recruiting trends, and a copy of Merritt Hawkins' *2020 Review of Physician and Advanced Practitioner Recruiting Incentives*, may be accessed at [www.merrithawkins.com](http://www.merrithawkins.com).

### About Merritt Hawkins

Merritt Hawkins is the largest physician search and consulting firm in the United States and is a company of AMN Healthcare (NYSE: AMN). More information about Merritt Hawkins can be accessed at [www.merrithawkins.com](http://www.merrithawkins.com).

### About AMN Healthcare

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