**Merritt Hawkins Logo - 2010.JPG**

**For Immediate Release**

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**SURVEY: STARTING SALARIES FOR PHYSICIANS SPIKING**

**Demand Driving Increases for Primary Care and Specialist Physicians**

**DALLAS, June 7, 2016**  – Starting salaries for both primary care and specialist physicians spiked in the last 12 months, according to a new report, reflecting a rising demand for physicians and a growing physician shortage.

Prepared by Merritt Hawkins, the nation’s leading physician search firm and a company of AMN Healthcare (NYSE: AHS), the *2016 Review of Physician and Advanced Practitioner Recruiting Incentives* tracks the 3,342 physician and advanced practitioner recruiting assignments the firm conducted from April 1, 2015 to March 31, 2016. Now in its 23rd year, the report indicates that starting salaries increased year-over-year in 19 of the 20 medical specialties for which the report provides data.

Annual starting salaries and year-over-year increases for select specialties include: family medicine, $225,000, up 13% year-over year; psychiatry, $250,000, up 11%; obstetrics-gynecology, $321,000, up 16%; dermatology, $444,000, up 13%; urology, $471,000, up 14%; otolaryngology, $380,000, up 15%; non-invasive cardiology, $403,000, up 21%; and general surgery, $378,000 up 12%.

“Demand for physicians is as intense as we have seen it in our 29-year history,” said Travis Singleton, senior vice president of Merritt Hawkins. “The expansion of health insurance coverage, population growth, population aging, expanded care sites such as urgent care centers and other factors are driving demand for doctors through the roof, and salaries are spiking as a consequence.”

**A Crisis in Mental Health**

The five types of medical specialties in most demand, according to the report, are family medicine, psychiatry, internal medicine, hospitalist, and obstetrics-gynecology. The 2016 report marks the first time psychiatry has ranked as high as second on Merritt Hawkins’ list of most in-demand physicians, underscoring an emerging crisis in mental health.

The federal government has designated 3,968 whole or partial counties as Health Professional Shortage Areas (HPSAs) for mental health, and close to half the counties in the U.S. have no mental health provider. In Texas, 185 of 254 counties (73%) have no general psychiatrist, according to Merritt Hawkins data.

**Physician Employment and Value-Based Pay**

Employment remains the dominant physician practice model. Approximately 90% of Merritt Hawkins’ search assignments in the last year featured employment of the physician by a hospital, medical group, urgent care center, Federally Quality Health Center (FQHC) or other employer. Five percent of Merritt Hawkins’ search assignments in the previous year featured an independent, solo practice setting, up from less than one percent two years ago. Many of these solo settings feature the “concierge” or “direct pay” practice model.

In addition, the new report suggests that the use of value-based physician incentives is gaining momentum. Of those Merritt Hawkins clients offering physicians a production bonus last year, 32% based the bonus in whole or in part on value-based metrics such as patient satisfaction, compared to 23% the previous year. However, the report indicates that only 6% of total physician compensation is tied to quality or value-based metrics.

A slide show including results of Merritt Hawkins’ *2016 Review of Physician and Advanced Practitioner Recruiting Incentives* can be accessed <http://bit.ly/2016MHreviewshare> and a complete report can obtained by calling Merritt Hawkins at 800-876-0500 or visiting www.merritthawkins.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: AHS). More information about Merritt Hawkins and AMN Healthcare can be accessed at [www.merritthawkins.com](http://www.merritthawkins.com).

**About AMN Healthcare**

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