#### **OBG WORKFORCE CONSULT**

## **Recruiting ObGyns: Starting salary considerations**

The competitive nature of ObGyn recruiting is reflected in rising starting salaries. It remains one of the most recruited specialties. Starting salaries have increased in recent years. Here, considerations about incentives and bonuses are provided to begin the negotiating.

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### Determining salaries

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ObGyn starting salaries page 14 vidence continues to show that the number of practicing ObGyns lags the growing and diverse US population of women.<sup>1</sup> Furthermore, approximately 1 in every 3 ObGyns will move usually once or twice every 10 years.<sup>2</sup> Knowing what to expect in being recruited requires a better understanding of your needs and capabilities and what they may be worth in real time. Some ObGyns elect to use a recruitment firm to begin their search to more objectively assess what is fair and equitable.

Understanding physician compensation involves many factors, such as patient composition, sources of reimbursement, impact of health care systems, and geography.<sup>3</sup> Several sources report trends in annual physician compensation, most notably the American Medical Association, medical specialty organizations, and recruitment firms. Sources such as the Medical Group Management

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Association (MGMA), the American Medical Group Association (AMGA), and Medscape report total compensation.

#### Determining salaries for new positions

A standard and comprehensive benchmarking resource for salaries in new positions has been the annual review of physician and advanced practitioner recruiting incentives by AMN Healthcare (formerly Merritt Hawkins) Physician Solutions.<sup>4</sup> This resource is used by hospitals, medical groups, academics, other health care systems, and others who track trends in physician supply, demand, and compensation. Their 2023 report considered starting salaries for more than 20 medical or surgical specialties.

Specialists' revenue-generating potential is tracked by annual billings to commercial payers. The average annual billing by a fulltime ObGyn (\$3.8 million) is about the same as that of other specialties combined.<sup>5</sup> As in the past, ObGyns are among the most consistently requested specialists in searches. In 2023, ObGyns were ranked the third most common physician specialists being recruited and tenth as the percentage of physicians per specialty (**TABLE**).<sup>4</sup>

Full-time salaries for ObGyns have remained within the middle third of all

specialties. They consistently have been higher than primary care physicians' salaries but remain among the lowest of the surgical specialties. This impression is reinforced by 2023 data shown in **FIGURE 1**.<sup>4</sup> In the past, salaries remained flat compared with other surgical specialties. As with other specialties, starting salaries decreased during the peak 2020 and 2021 COVID-19 years. It is encouraging that averaged full-time salaries for recruiting ObGyns increased by 14.1% from 2020–2021 to 2021–2022 and by 10.5% from 2021–2022 to 2022–2023 (**FIGURE 2**, page 14).<sup>4</sup>

#### **Special considerations**

Incomes tended to be highest for ObGyns practicing in metropolitan areas with population sizes less than 1 million rather than in larger metropolitan areas.<sup>3</sup> However, differences in reported incomes do not control for cost of living and other determinants of income (for example, surgeries, deliveries, patient care hours worked). Averaged salaries can vary regionally in the following order from highest to lowest: Midwest/Great Plains, West, Southwest, and Northeast and Southeast.<sup>4</sup>

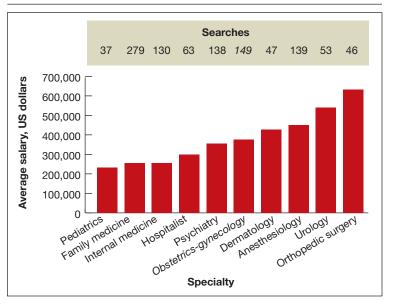
Differences in starting salaries between male and female ObGyns are often not reported, although they are a very important consideration.<sup>6,7</sup> Both men and women desire "controllable lifestyles" with more flexibility and working in shifts. Sex-based differences in physician salary and compensation can be complex. Explanations may deal with the number of patients seen, number of procedures and surgeries performed, and frequency of after-hours duties. Women constitute most ObGyns, and their salary being at any lower end of the income spectrum may be partially explained by fewer desired work hours or less seniority.

Annual earnings can vary and are positively related to the number of working hours, being in the middle of one's career (aged 42–51 years), working in a moderately large practice rather than in a solo or self-employed practice, and being board certified.<sup>3</sup> A lower starting salary would be anticipated for a recent graduate. However, the resident going TABLE Top 10 requested searches by recruitersaccording to specialty and searches as a percentof all physicians in each specialty, 20234

Most requested searches	Searches as percent of physicians per specialty
1. Family medicine	1. Pulmonology
2. Radiology	2. Gastroenterology
3. Obstetrics-gynecology	3. Hematology/oncology
4. Anesthesiology	4. Urology
5. Psychiatry	5. Radiology
6. Internal medicine	6. Rheumatology
7. Gastroenterology	7. Cardiology
8. Cardiology	8. Psychiatry
9. Hematology/oncology	9. Anesthesiology
10. Hospitalist	10. Obstetrics-gynecology

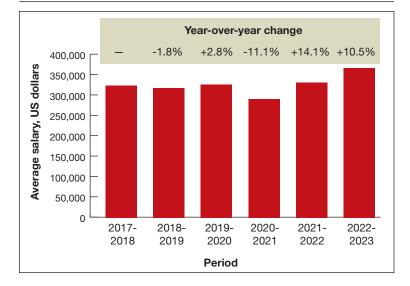
into a hard-to-fill position may be offered a higher salary than an experienced ObGyn who takes a relatively easy-to-fill position in a popular location. Practices would be more desirable in which patient volume is sufficient to invest in nonphysician clinicians and revenue-generating ancillary services that do not require costly layers of administration.

Information on physician salaries for new positions from individual recruiting or



# **FIGURE 1** Examples of average full-time starting salaries offered to recruited physicians, 2023<sup>4</sup>

### FIGURE 2 Average starting salaries offered to recruited full-time ObGyns from 2017–2018 to 2022–2023<sup>4</sup>



FAST TRACK

Many of the described incentives offered by hospitals and medical groups require open discussions and clarity from the beginning of a job offer research firms can serve as a starting point for negotiation, although it may not entirely be representative. Sample sizes can be small, and information in some specialties may not separate salaries of physicians in academic versus nonacademic positions and generalists versus subspecialists. The information in this article reflects the average salaries offered to attract physicians to new practice settings rather than what they might earn and report on their tax return.

#### Incentives

Negotiations involve incentives along with a starting salary. Signing bonuses, moving

allowances, continuing education time and allowances, and medical education loan repayments are important incentives. Recent signing bonuses (average, \$37,472) likely reflect efforts to bring physicians back to health care facilities post-COVID-19 or, more commonly, when candidates are considering multiple opportunities.<sup>4</sup> It is important to clarify at the beginning any coverage for health insurance and professional liability insurance.

Relocation allowances are for those being recruited outside their current area of residence. The average continuing medical education allowance was \$3,840 in 2023.<sup>4</sup> Medical school debt is common, being approximately \$200,000 at graduation for many. An educational loan repayment (average, \$98,665) is typically an exchange for a commitment to stay in the community for a given period.

Starting employment contracts with hospitals or large medical groups often feature a production bonus to reward additional clinical work performed or an adherence to quality protocol or guidelines, rather than income guarantees alone. Metrics are usually volume driven (for example, relative value units, net collections, gross billings, patients seen). Initiatives by payers and health care organizations have included quality metrics, such as high patient satisfaction scores, low morbidity rates, and low readmission rates. Production-based formulas are straightforward, while use of quality-based formulas (up to 14% of total compensation) can be less clear to define.4

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