



THE NEW PHYSICIAN RECRUITMENT REALITY: CURRENT TRENDS AND THE ROAD AHEAD

INTRODUCTION

Although the ground beneath us continues to shift, the healthcare needs of our communities are ongoing. Healthcare organizations face increasing challenges as they attempt to keep up with patient demand. Staffing shortages strain clinical teams and lengthen patient wait times; federal policy changes raise questions about how care will be delivered and paid for; and, of course, the demand for services continues to rise as the population grows and ages. These challenges aren't new, yet the mounting pressure has many healthcare leaders and clinicians questioning how much more they can take.

In this report, we'll examine the factors affecting healthcare as a whole, and specifically, physician recruitment. Using Jackson Physician Search's actual placement data along with anecdotal evidence from our recruitment leaders, we'll evaluate where demand is highest, what candidates want, and how organizations are adjusting their strategies to stay competitive. Our goal is to give leaders a clear view of what's happening with physician recruitment today, so they can confidently plan for tomorrow.

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EXECUTIVE SUMMARY



Helen Falkner
President

Healthcare is undergoing significant changes, affecting everyone involved, from patients and frontline staff to management and administrators. During periods of uncertainty, such as this, experts are often tasked with assessing emerging trends to anticipate what lies ahead. At Jackson Physician Search, this means looking back at quantitative placement data to reveal exactly what it takes to hire a physician in the current market. However, the numbers don't necessarily tell the whole story. By this, I mean they don't provide comprehensive answers to the questions: Why is the market shifting? Why are certain specialists harder to find? Why are some organizations putting recruitment on hold? And what causes other organizations to set reservations aside and move forward with an eye to the future?

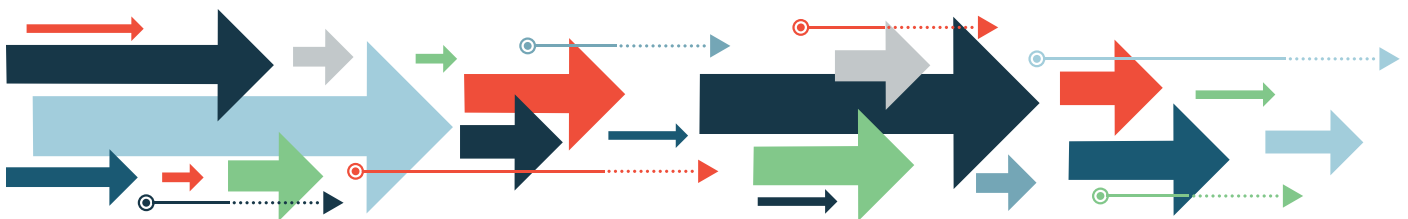
As President of Jackson Physician Search, answering these questions is a strategic imperative. I look to our recruitment leaders for insight into not just what it takes to recruit physicians in the current market, but also the factors impacting those terms. What are they hearing from both healthcare organizations and candidates about how they are experiencing the physician shortage, rising patient demand, declining reimbursements, and unpredictable changes to federal healthcare policy?

This convergence of challenges demands strategic action from healthcare leaders, and yet, I'm learning from our business development team that many leaders feel paralyzed by these uncertain times. They are bracing for impact at the exact moment they need to be charting a new course. The instinct is understandable, but is it possible to accomplish both simultaneously? And if so, how?

This report attempts to answer that very question. Healthcare leaders nationwide are cautious about the future, and while the inclination may be to freeze or slow recruitment efforts, the past has shown that pausing recruitment is detrimental in the long run. The most successful organizations post-COVID were those that continued to build their pipelines and hire physicians throughout the pandemic. The savviest healthcare leaders knew demand for care would continue to increase, and without enough providers to deliver that care, organizations would struggle.

If healthcare leaders take anything away from this report, I hope it will be that they must **keep moving forward**. This means staying focused on meeting patients' needs by continuing to hire physicians and advanced practice providers who can provide the necessary care.

Our 2025 placement data suggest that many organizations already know this to be true. The number of placements made by Jackson Physician Search continues to grow across all regions. The time it takes to fill a position is relatively stable, and starting salaries and recruitment incentives are steadily increasing. At Jackson Physician Search, we understand what it took to hire a physician in 2025, and with an eye on the factors impacting recruitment, we're prepared to advise healthcare organizations on what it will take in 2026 and beyond.





So, what factors are impacting the physician and advanced practice provider (APP) recruitment market today?



Demographics

The aging baby boomer population demands more frequent and complex care. Meanwhile, the growing population is scheduling more primary care visits, leading to more conditions caught early requiring additional care. The overall impact is an increasing demand for healthcare services.



Physician Shortage

The number of practicing physicians in the U.S. is not keeping up with the increased demand for care. The [Association of American Medical Colleges \(AAMC\)](#) projects a physician shortage of up to 86,000 by the year 2036. One contributing factor is the aging physician workforce. One in three physicians will reach retirement age within five years. Primary care, OB/GYN, and subspecialties, including urology, gastroenterology, oncology, and neurology, face the most critical shortages.



Shifting Healthcare Policy

The One Big Beautiful Bill Act (OBBBA) is projected to cause between 10 and 15 million people to lose health coverage by 2034 and increase uncompensated care by up to [\\$204 billion over ten years](#). The new \$100,000 H-1B visa fee — up from approximately \$3,500–\$5,000 — has effectively halted international physician recruitment through traditional channels.



Economic Conditions

Concerns about tariffs, interest rates, and an AI market bubble, as well as housing availability, are causing some organizations to put growth on hold and, in some cases, making physicians hesitate to relocate.



Evolving Compensation

The imbalance of supply and demand results in increasingly competitive compensation and recruitment incentives. To differentiate their offers, organizations often provide unique scheduling options. Four-day work weeks are now standard, with block scheduling and remote administrative days among other common requests. Total compensation continues to rise despite financial pressures elsewhere in the healthcare system.

Of course, some of these factors aren't necessarily new, and periods of uncertainty are expected; however, some things are certain: People will continue to need care, and organizations need the right balance of physicians and APPs to deliver it. Healthcare organizations that ignore these truths risk critical staffing gaps that will put them at a competitive disadvantage. On the other hand, organizations that continue to move forward by proactively adapting recruitment strategies and embracing workforce model innovation will be positioned to thrive.

Notable 2025 Physician and Recruitment Trends

Before we dive into the hows and whys of the current market, we'll review the notable trends from the Jackson Physician Search 2025 placement data.

Demand for primary care physicians continued to climb, up 56% since 2020, and accounted for more than one in four placements at Jackson Physician Search in 2025.

As obstacles increased, rural health organizations and Federally Qualified Health Centers were more likely to seek recruitment assistance. The number of Jackson Physician Search placements at critical access hospitals, for example, has more than tripled since 2020.

Advanced practice providers played an increasingly critical role in meeting patient demand, not only in primary care settings but also in specialized care, particularly in rural and remote areas.

OB/GYNs were among the top three specialties placed by Jackson Physician Search in 2025. While the national shortage contributed to the challenge of recruiting OB/GYNs, states with strict regulations surrounding reproductive care faced an added layer of complexity.

Other especially challenging specialties included: gastroenterology, urology, oncology, and neurology.

Compensation packages steadily climbed, with more than 8 in 10 offers including signing bonuses and/or other recruitment incentives.

Outside of compensation, organizations attracted clinicians with 4-day work weeks, remote administrative days, block scheduling, and other flexible arrangements.

While the number of placements involving H-1B visas and J-1 visa waivers was consistent with prior years, our recruitment leaders observed a new hesitancy to hire non-citizens. Changes to U.S. immigration policy, specifically H-1B visa fees, were the primary cause for concern.

Now, what does all this mean for your organization? Keep reading for a clearer view of what's happening in the current market, how it may impact your organization, and what you can do about it.

PART I

HIGH-LEVEL FACTORS IMPACTING THE CURRENT PHYSICIAN RECRUITMENT MARKET

1. The Worsening Physician Shortage

The [Association of American Medical Colleges](#) (AAMC) projects a shortage of up to 86,000 physicians by 2036, with specific gaps of between 20,200 and 40,400 primary care physicians and up to 46,700 non-primary care physicians. Surgical specialties face a projected shortfall of between 10,100 and 19,900 surgeons, particularly affecting general surgery, vascular surgery, and neurosurgery.

86,000
PROJECTED SHORTAGE OF PHYSICIANS BY 2036
**9-10%
PHYSICIANS**
**20% OF THE U.S.
POPULATION**

While 20% of the U.S. population resides in rural areas, only 9–10% of physicians practice there.

The retirement wave compounds these shortages. According to the [Federation of State Medical Boards](#), approximately 35% of the physician workforce will reach retirement age within five years, meaning one-third of physicians are expected to retire by 2030. This demographic reality creates an urgent timeline for workforce planning that many organizations have yet to address adequately.

35%
**OF PHYSICIANS
EXPECTED TO
RETIRE
BY 2030**

The geographic maldistribution of physicians exacerbates these challenges. According to the [National Rural Health Association](#), while 20% of the U.S. population resides in rural areas, only 9–10% of physicians practice there, and this percentage continues to decline.



Across the country, we simply don't have enough physicians coming out of training to replace retiring physicians and keep up with demand," says Tonya Hamlin, Regional Vice President of Recruitment for the Southwest Division. "Organizations are hiring more advanced practice providers, and in some cases (often rural), they are expanding telemedicine and adopting hybrid care models that incorporate virtual specialists with in-person APPs."

Other factors compound the severity of the shortage. For example, state-specific legislation impacting how OB/GYNs practice may worsen the shortage in more restrictive states.

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Critical Shortage Areas

Primary Care remains the foundation of healthcare delivery and continues to represent the highest volume of recruitment searches. The 2025 Association for the Advancement of Physician and Provider Recruitment (AAPPR) [Benchmarking Report](#) found that family medicine, internal medicine, and hospital medicine collectively account for more than 25% of all physician searches, a figure consistent with placement data from Jackson Physician Search.

OB/GYN faces a massive shortage driven by baby boomer retirements and, in certain states, complications arising from legislation affecting reproductive healthcare. According to our team of recruitment leaders, many organizations that previously would not consider a family medicine with obstetrics (FMOB) physician as a replacement for an OB/GYN are now actively seeking them. This shift, once limited to extreme shortage areas like the Upper Midwest and Texas, has expanded to East and West Coast facilities.

Gastroenterology presents unique challenges as the specialty has fragmented into distinct practice models. GI hospitalist positions offer shift work with no call, while outpatient-only positions include practice call but no hospital rounding. This fragmentation means it now takes two providers to replace one traditional GI doctor who covered both settings — a significant consideration for workforce planning and recruitment budgets.

Other specialties experiencing severe shortages include:

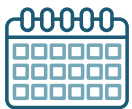
- Urology: 60% of U.S. counties do not have a practicing urologist, and 29.8% of urologists are over 65, making it one of the oldest specialties. ([American Urological Association](#))
- Oncology: According to [Oncology News Central](#), 38 states had fewer oncologists practicing per capita in 2024 than in 2014, despite an increase in cancer cases. The [Association for the Advancement of Physician and Provider Recruitment](#) reports a median time-to-fill of 332 days.
- Neurology: A [2013 study](#) projected a 19% shortfall of neurologists by the year 2025, a gap felt by organizations nationwide.

2. Federal Policy

Regional Vice President of Recruitment for the Western Division, Jeff Foster, characterizes the current healthcare market as experiencing “paralysis by uncertainty,” which he acknowledges is common in the first year of a new presidential administration. However, there are multiple factors contributing to the heightened concerns:



Government Funding: Medicare and Medicaid cuts are creating significant financial pressure across healthcare organizations. Federally Qualified Health Centers (FQHCs) and small-to-mid-sized hospitals — operating on margins [estimated between 1-3%](#) — are particularly vulnerable. One FQHC client in Texas elected to not fill open searches just three months after receiving a multi-million dollar government grant, illustrating the depth of financial anxiety even among well-funded organizations.



Payment Delays: Legislative battles over funding and government shutdowns can significantly delay Medicare and Medicaid reimbursements. This cash flow disruption creates operational challenges that ripple through every aspect of organizational planning, including recruitment.

Hamlin explains: “It’s hard for organizations to plan for the future when they’re uncertain about if and when they will receive payment for work they’ve already done, and of course, new policy raises questions about if and how they will be compensated going forward.”



New Legislation: Hamlin alludes to changes enacted by the [One Big Beautiful Bill Act](#) (OBBBA), signed into law on July 4, 2025. The Congressional Budget Office

estimates the law will cut federal healthcare spending by close to a trillion dollars over the next decade. However, it also projects that more than 10 million Americans will lose coverage due to eligibility rules, work requirements, and expiring tax credits. A disproportionate number of those losing coverage reside in rural and remote areas, meaning rural healthcare organizations are likely to see the most significant impact.

10M

AMERICANS ESTIMATED TO LOSE INSURANCE COVERAGE

The bill anticipates this disruption and designates \$50 billion for a Rural Transformation Fund to ease some of the burden. However, policy analysts at [KFF](#) estimate rural areas will lose \$137 billion in Medicaid funding over 10 years — nearly triple the rural health fund's allocation — so there is considerable fear and uncertainty about the coming changes.

\$137B

ESTIMATED LOSS IN MEDICAID FUNDING

Another provision of the act decreases the availability of [federal student loans](#) for medical and nursing school students, making medical or nursing education less accessible at a time when we need more people entering the professions. This change may negatively affect the pipeline of future physicians and advanced practice providers.



Rule Changes: Other examples of federal policies affecting recruitment include changes to the [Public Service Loan Forgiveness](#) (PSLF) program and an [overhaul to the H-1B visa application process](#), along with increased fees. The new PSLF regulations impact the eligibility of some organizations that currently qualify for loan forgiveness programs, meaning the clinicians they employ will no longer qualify. If the rule stands (it is currently being challenged in the courts), it increases the importance of employer-sponsored loan repayment as a recruitment incentive at those organizations.

The increased fees associated with H-1B visas are also disrupting physician recruitment. Hospitals and health systems already operate on thin margins (especially rural or safety-net facilities), and a sudden \$100,000 additional cost per hire is large enough to change behavior. Although exceptions to the new rule may be forthcoming, many organizations are pausing recruitment of H-1B candidates, focusing instead on citizens, green card holders, or, if necessary, those requiring a J-1 visa waiver — though there is some hesitancy around J-1 candidates as well.

\$100K

NEW FEE FOR H-1B VISA APPLICATIONS



The hesitancy stems from the fact that no one can anticipate what's coming next," explains Tara Osseck, Senior Vice President of Recruitment and leading our Midwest Division. "There is a feeling of 'anything can happen,' and no one knows if the change will be a net positive or negative."

When it comes to the new H-1B fees, the potential impact on healthcare is seemingly negative. Researchers at [Mass General Brigham](#) found international medical graduates disproportionately staff medically underserved areas. H-1B-sponsored physicians comprise nearly 1% of the entire U.S. physician workforce, with higher proportions in rural and high-poverty counties — precisely the areas facing the most severe shortages.

3. Market Conditions

Beyond the uncertainties created by shifting federal policies, broader market instability also contributes to the pervasive sense of apprehension.



Economic Indicators: Secondary-market uncertainty, tariffs, interest rates, major investors holding cash, and general recession concerns contribute to physicians' hesitancy around relocation and significant career changes. As high earners, physicians are particularly attuned to market conditions and economic signals.



We are in the business of moving people around,” says Foster, “And the current economic climate has people of all stripes resisting major life changes. Physicians are watching the instability in financial markets, not to mention interest rates and housing availability — especially here in the West. It’s a tough time to get physicians to relocate, but if the conditions are right, they will make an exception.”



Mergers & Acquisitions: M&A activity continues to increase in healthcare, often causing recruitment to slow or be put on hold altogether while financials are reassessed and new projections are made. Logistical tasks like rewriting contracts and adjusting compensation packages must also be addressed. In some cases, compensation packages are adjusted upward, but in others, the adjusted decrease can significantly harm recruitment. All of these roadblocks can put organizations considerably behind in their staffing plans.

4. Rising Physician Compensation

When demand is high and supply is low, the value of the object in question (or in this case, the profession) increases. Thus, it's not surprising that physicians are increasingly commanding higher compensation, especially in less desirable locations or practice settings. In an effort to be competitive, organizations are offering higher salary guarantees. The challenge arises when employers offer guaranteed base salaries that aren't justified by the revenue projections. This is especially likely in rural or remote organizations where margins are already thin. Finding alternative funding sources to meet physician compensation expectations is a must. Organizations are also getting creative with recruitment incentives, flexible schedules, and other benefits to piece together competitive offers.

“Offers are far less ‘cookie-cutter’ than they used to be,” says Neal Waters, Regional Vice President of Recruitment for the Eastern Division. “What appeals to one physician may be different from what another physician prioritizes. In getting to know candidates during the recruitment process, I’m always noting the kinds of perks and incentives that will be most persuasive if or when the time comes to make an offer.”



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PART II

RESPONDING TO RECRUITMENT CHALLENGES

1. The Evolution of Compensation Packages

MGMA's [2025 provider compensation data](#) shows annual compensation gains of 3.17% to 5.57% for physicians and APPs. Jackson Physician Search data found an overall average increase of just 2.8%. Competitive base salaries typically fall between the median and 75th percentile of MGMA benchmarks. Organizations offering below-median compensation increasingly struggle to attract qualified candidates regardless of other package elements.



Where justified, that guaranteed base is creeping up,” explains Waters. “If organizations look closely at demand and project the potential earnings to be up here, then there’s no reason for the base to be significantly lower. The guarantee should reflect what the physician can expect to generate in volume, and the organization should be prepared to explain in detail how and why they can expect to get to that figure.”

Of course, at some organizations, increases to base pay may not be justified by volume. With expenses rising, reimbursements declining, and patients losing insurance coverage, organizations are facing impossible situations. They need clinicians to generate revenue, but they often can’t generate enough revenue to guarantee a high base for physicians. In these situations, organizations must seek creative solutions.

RECRUITING IN ACTION

Community Effort to Offer Competitive Compensation

When a private orthopedic surgery group in the Midwest couldn’t meet its candidate’s desired salary guarantee, the CEO went to one of the community hospitals to ask for help. The CEO made a strong case that the additional surgeon would generate more revenue for the hospital, so they were motivated to help the group increase its roster. Ultimately, the candidate received the competitive offer he wanted, and the community benefited from an additional spine surgeon.

[READ MORE](#)

Takeaway: Understanding compensation trends and state-specific incentives is crucial. If the organization can't meet the salary expectations, identify programs with the state or other entities that can enhance the total compensation package.

Significant increases to base salary are not always possible, which may be why we are seeing the most significant growth in recruitment incentives. This is where organizations are most effectively differentiating offers from competitors. In 2025, 81% of placements at Jackson Physician Search included recruitment incentives, up from 77% in 2024. In many cases, the incentive pool reaches six figures, with options to use the funds towards relocation expenses, loan repayment, housing assistance, one-time payouts, and more.

Once the compensation package has been appropriately tailored to the candidate, organizations should be prepared to present the plan to the candidate as if they were a startup pitching a business plan to an investor. Transparency is crucial. Provide a detailed volume analysis, patient-per-day calculations, collection rates, and anonymized compensation data for physicians in the practice. This data-driven approach builds trust and ensures candidates have all the details they need to make an informed decision.



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Creative Compensation Components



Flexible Incentive Pools

Organizations often create pools of \$150,000–\$300,000 that can be allocated to signing bonuses, student loan repayment, moving expenses, residency stipends, and/or down payment assistance, based on individual candidate needs.



Tax-advantaged Bonus Structures

Upfront bonuses with annual forgiveness, taxed incrementally rather than as a lump sum, create mutual retention benefits.



Loan Repayment Programs

With some federal loan-forgiveness programs under threat, organizations are creating custom loan-repayment programs modeled on government initiatives.



Home Equity Share Programs

Emerging in affluent markets like Colorado and California, these innovative arrangements involve health systems making significant capital investments in physicians' home down payments. The hospital holds an equity stake, and the physician repays the investment plus a share of appreciation upon sale.

2. Flexibility and Work-life Balance

Levels of burnout appear to be declining among physicians, no doubt, at least in part, due to the industry's heightened focus on improving work-life balance and physician wellness. Employers recognize the importance of offering flexible schedules and a supportive culture, but it can be challenging to keep up with physicians' increasingly high expectations in this area. For example, the once-differentiating perk of a 4.5-day workweek (with the half-day spent on administrative work) is no longer especially attractive. Most candidates are seeking four-day schedules, preferably with a built-in remote half-day for administrative duties.

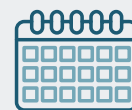
While physicians want to work less, they don't want to sacrifice their income. Organizations should be transparent about the productivity requirements needed to earn the desired income and find ways to accommodate the physician's preferences. This may be achieved through fewer days but longer hours or block scheduling. Organizations should be transparent about how a reduced schedule could potentially impact earnings and offer a variety of models to consider, such as 7-on/7-off, 14-on/14-off, six 24-hour shifts per month, and compressed 2,000 hours into 26 weeks.

"The idea of working 26 weeks a year resonates powerfully with candidates," explains Foster. "Even though total hours per year remain the same, the psychological and lifestyle appeal of extended time off is substantial. Physicians may not be able to work from home like professionals in other industries, but compressed schedules have a similar appeal."

Employers aren't just modifying schedules; in some cases, they are restructuring roles altogether.

"We're seeing more physicians who prefer shift work and want inpatient-only models," Foster says. "So a subspecialty-hospitalist model is becoming more common. GI hospitalists, oncology hospitalists, OB hospitalists — for those who prefer inpatient or simply don't want to be on-call, this is ideal."

Alternative Schedules



- 7-on/7-off
- 14-on/14-off
- Six 24-hour shifts per month
- 2,000 hours in 26 weeks

RECRUITING IN ACTION

Creative Surgical Schedules

When a hospital in rural Oklahoma lost its surgeon, they knew it would be next to impossible to find a replacement willing to provide 24/7 coverage. The hospital was already losing approximately 330 cases annually due to weekend coverage gaps alone. The solution? Replace one surgeon with two working a 7-on/7-off schedule — and pay them both very competitively.

It was a winning strategy. Jackson Physician Search Senior Search Consultant Addyson Wilgus wrapped up the open search for both surgeons in just 56 days. She presented 10 candidates between March and April, and received two accepted offers. The week-long rotations provide a best-of-both-worlds schedule that works for both physicians, while the hospital gets full coverage without the risk of their new surgeons experiencing burnout.

[READ MORE](#)

Takeaway: Creative solutions that offer candidates flexibility can make all the difference when working to fill especially challenging roles.

Beyond flexible schedules, organizations leverage technology to ease the pressure on physicians and support better work-life balance. Artificial intelligence has the potential to reshape the physician experience by streamlining clinical workflows, reducing administrative burdens, and expanding access to care. Ambient transcription tools can automate in-room documentation by listening, interpreting, and converting clinical conversations into structured notes, allowing physicians to focus more fully on patient interaction. Charting assistance, including AI-driven summarization and decision-support prompts, helps clinicians complete accurate documentation more efficiently and supports more consistent care delivery.

Robust telemedicine programs can also lighten the load on physicians. Hybrid care models that combine virtual specialists with on-the-ground APPs are instrumental in rural areas, allowing physicians to see patients without the burden of a long commute. AI can also enhance the telemedicine experience through real-time clinical data extraction, automated visit summaries, and intelligent triage that guides patients to the right level of care. Together, these capabilities are lowering friction in the care process, improving productivity, and expanding patient access, while offering physicians schedule flexibility and improved work-life balance.

Beyond Schedules and Time Off...What Makes Physicians Stay?

Flexible schedules and generous PTO packages are crucial components of the offer, but once the contract is signed, what keeps physicians from leaving? And more specifically, what makes them want to stay? Jackson Physician Search explored this question in two different research projects in 2025 and found two distinct, though related, answers. Competitive compensation and flexible schedules may get physicians in the door, but it's relationships — both with patients and with colleagues — that keep them there.

A Sense of Purpose

A joint study from Jackson Physician Search and LocumTenens.com, [*Is Medicine Still a Calling? Exploring Physician Attitudes About Purpose in Medicine*](#), concludes that physicians and APPs with a strong sense of purpose are likely to handle the challenges of the field — from burnout to systemic issues — with greater resiliency than those who feel less passion and purpose. They are also more likely to feel engaged and satisfied in their jobs, leading many to wonder if a sense of purpose could be the antidote to burnout.



DOWNLOAD
THE STUDY

The research found that clinicians with a strong sense of calling are more likely to feel satisfied with their jobs, say they would pursue medicine again, and stay with their current employers. Thus, if leaders can create an environment where physicians and advanced practice providers can focus on activities that fuel a sense of purpose — problem-solving and time with patients — they will almost certainly see job satisfaction increase and retention rates improve.

Meaningful Relationships

The purpose study highlights the importance of the provider-patient relationship, but a second study from Jackson Physician Search and the Medical Group Management Association (MGMA), [*From Contract to Connection: How Authentic Relationships Foster Early-Career Loyalty and Retention*](#), found relationships with colleagues to be the most powerful factor in a physician's decision to stay.

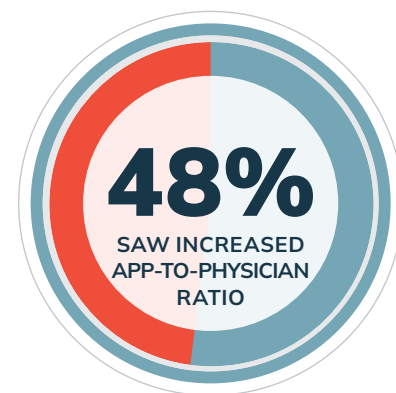


DOWNLOAD
THE STUDY

The study concludes that physician retention is not about programs or perks — it's about people. When physicians feel valued, supported, and connected, they not only stay in their roles longer but also perform more effectively. They engage more deeply, contribute more fully, and become ambassadors for your organization. Their loyalty not only strengthens your workforce but also enhances the care you deliver to your community.

3. Advanced Practice Providers

Despite increasingly attractive compensation and flexibility, there simply aren't enough physicians to fill every job opening, so organizations continue to turn to advanced practice providers to fill the gaps. At Jackson Physician Search, the number of advanced practice provider placements has skyrocketed since the pandemic, with nurse practitioners and physician associates making up the bulk of those placements. According to a November 2025 [MGMA STAT poll](#), 48% of medical group practices report an increase in their APP-to-physician ratio in 2025. Another 40% said it held steady, and only 11% reported a decrease.



48% of medical group practices report an increase in their APP-to-physician ratio in 2025.



I regularly see the importance of APPs in my clients' staffing mix, especially in rural and remote areas," says Hamlin. "While advanced practice providers will never replace physicians, they can provide basic services and free up physicians to focus on more complex conditions."

Foster expounded on the economic advantages of APPs: "Organizations pay APPs approximately 33-50% of what they would pay a physician, and the APP can generate 70-80% of what a physician might produce. It's just one reason organizations in the West lean heavily on APPs."

In addition to cost savings, APP searches typically move considerably faster than physician searches. However, searches for APPs with specialty experience are more complex. Relationships with local training programs and professional associations, such as the [American Association of Physician Associates](#) and the [American Association of Nurse Anesthesiologists](#), are critical.

"Organizations we partner with rely on our expertise when they are searching for a specialized APP," says Osseck. "If they need an APP with vein harvesting experience or urology expertise, this is where it can be especially challenging for them to tap into that small candidate pool. Our reach certainly improves the chances, but I also counsel clients to consider taking on a new grad who is eager to learn a specialty."

RECRUITING IN ACTION

Exclusive Partnership + Diverse Tactics

After years of recruitment struggles, a remote FQHC in California formed an exclusive partnership with Jackson Physician Search to pursue a co-branded recruitment strategy that leveraged a range of tactics: national job boards, database searches, targeted email/text campaigns, cold calling, radius searches, and colleague referrals.

Senior Search Consultant Camille Carter managed multiple searches for the FQHC, first finding success with a pediatric NP placement. This would be the first of three APP placements, all of which were critical to meeting the community's needs.

READ MORE

Takeaway: When initial efforts yielded limited results, the client's willingness to reassess and implement a new approach was key to making a total of six placements at the organization. Camille's guidance on elevating the interview experience was also crucial to her success.

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PART III

SPOTLIGHT ON RURAL

While physician shortages are felt nationwide, these pressures are often amplified in rural settings, where each hire may determine whether essential services remain available. Osseck emphasizes the specific difficulty of hiring OB/GYNs in the rural Midwest, where many hospitals have made the difficult decision to close their labor and delivery units.

According to [Healthcare Dive](#), 116 rural hospitals have closed or stopped providing labor and delivery services in the last five years. Just 41% of rural hospitals now offer these critical services. For pregnant women in affected communities, the trip to the nearest hospital offering labor and delivery services exceeds 30 minutes for about 70% of cases and more than 50 minutes for about 20%.

Rural America faces a mounting healthcare crisis as physician numbers continue to decline despite growing demand. While 20% of Americans live in rural communities, [only 9-10% of doctors practice there](#). Recent research reveals this disparity is worsening rapidly.

Disappearing Doctors

A report by the [Physicians Advocacy Institute and Avalere Health](#) documents dramatic changes between 2019 and 2024. Rural areas lost 2,500 physicians overall — a 5% decline — while independent physicians decreased by 43% and independently owned practices by 42%. More than 40% of independent practices closed or were acquired, resulting in 3,300 fewer practices overall.

Corporate entities nearly doubled their rural practice ownership and increased physician employment by 57%. Hospitals and health systems expanded physician employment by 15% and practice ownership by 11%. However, these gains haven't offset the net physician loss, leaving rural communities facing higher chronic illness rates, delayed cancer diagnoses, and limited access to care.

Contributing Factors

Several forces drive this exodus. Nearly half of U.S. physicians will [reach retirement age](#) within a decade, with primary care and psychiatry hit hardest. Most medical training occurs in urban centers, creating professional networks that discourage rural relocation. Financial pressures from lower reimbursement rates and higher operational costs make rural practice less sustainable, while burnout from heavier workloads and professional isolation increases turnover.

Rural Physician Loss



Physicians Advocacy Institute & Avalere Health Report between 2019 and 2024 rural areas lost 2,500 physicians overall:

- 43% decrease in independent physicians
- 42% decrease in independently-owned practices
- Corporate entities doubled rural practice ownership
- Physician employment increased 57%

Rural Recruitment Solutions

Addressing this crisis requires comprehensive [recruitment strategies](#). Organizations must offer competitive compensation, leverage loan repayment programs, and target candidates with rural backgrounds who are more likely to stay. Team-based care models incorporating [advanced practice providers](#) can reduce workload and call burdens.

Additional strategies include expanding telehealth infrastructure, offering flexible work arrangements like part-time or locum tenens positions, partnering with rural residency programs, and exploring [J-1 visa waivers](#) for international medical graduates. Highlighting the [benefits of rural practice](#) and fostering community collaboration can attract physicians seeking meaningful work and supportive environments.

The disappearance of rural doctors demands urgent, coordinated action. Through innovative recruitment and evidence-based strategies, healthcare leaders can ensure rural communities maintain access to essential care.

10 Strategies for Rural Physician Recruitment

1

Promote the Positive:

Highlight the benefits of rural practice, including lower cost of living, broader scope of practice, and community connection. Showcase unique local amenities and lifestyle advantages.

2

Competitive Compensation:

Provide signing bonuses, student loan repayment, housing assistance, and retention incentives. Be transparent about the complete financial package.

3

Professional Development:

Emphasize mentorship programs, specialized training opportunities, and clear pathways to [physician leadership](#) positions.

4

Telemedicine Infrastructure:

Invest in robust telehealth systems to expand patient access and reduce [professional isolation](#) concerns among providers.

5

Collaborative Healthcare Models:

Develop [team-based care with advanced practice providers](#) to share call responsibilities and improve work-life balance.

6

Build Community Partnerships:

Forge relationships with local organizations, schools, and businesses to support [recruitment and retention](#). Partner with nearby hospitals for additional resources.

7

Emphasize Work-life Balance:

Offer flexible schedules, job sharing, and reasonable work hours. In [recent surveys](#), 46% cited improved work-life balance as a top decision factor.

8

Assist with J-1 Visa Waivers:

Help international physicians obtain [J-1 visa waivers](#) to expand your candidate pool and fill critical positions.

9

Promote Loan Forgiveness Programs:

Leverage government and private loan repayment programs to attract physicians with service commitments to rural areas.

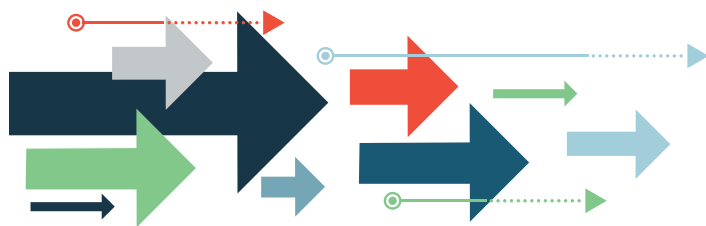
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Utilize Social Media Platforms:

Market opportunities through Doximity and other online channels. Share [success stories](#) of physicians thriving in rural settings.

PART IV

KEEP MOVING FORWARD



Healthcare is facing significant challenges, and organizations that adapt thoughtfully will be best positioned for success. With physician shortages projected to reach 86,000 by 2036, new federal policies reshaping coverage and immigration pathways, and evolving provider expectations around compensation and work-life balance, the recruitment strategies that worked five years ago won't be enough to carry you into the future.

The good news? Healthcare leaders are already finding ways to adapt. Expanding APP utilization, offering creative schedules, and creating customized compensation packages are all proven approaches that organizations are implementing successfully today.

The organizations thriving in this environment share a common trait: they're not waiting for clarity that may never come. They're recruiting for 2027 start dates now, redesigning compensation models proactively, and investing in the work-life balance initiatives that today's physicians expect as standard.

The Path Forward Requires:

1. **Immediate action** on workforce planning, immigration strategy adaptation, and compensation model updates — without waiting for political or economic clarity that may never arrive.
2. **Investment in alternative workforce models**, including job sharing, strategic APP utilization, subspecialty hospitalist programs, and telemedicine capabilities that extend organizational reach.
3. **Commitment to work-life balance** as a standard offering, not a differentiating perk. The four-day work week, protected administrative time, and schedule flexibility are now baseline expectations.
4. **Financial forecasting** that accounts for enhanced recruitment incentives, while addressing coverage losses and increases in uncompensated care resulting from OBBBA implementation.
5. **Cultural transformation** recognizing that younger physicians increasingly prioritize organizational alignment, collaborative environments, and authentic commitment to physician well-being.

Healthcare organizations that embrace these realities and act decisively will secure the physician workforce necessary to serve their communities and ensure organizational sustainability. Those that wait risk falling into a downward spiral of vacancies, revenue loss, staff burnout, and competitive disadvantage from which recovery becomes increasingly difficult.

Choose the right path for your organization, and keep moving forward.

If your organization needs a physician recruitment partner to navigate the uncertain future, the Jackson Physician Search recruitment team has the experience and expertise to serve as your guide. [Reach out today](#) to learn how we can keep moving forward together.

LEADERSHIP TEAM

Executive Leadership



Helen Falkner
President



Dwayne Roache
Executive Vice President,
Accounting and Finance

Recruitment Leadership



Tara Osseck
Senior Vice President,
Recruiting



Neal Waters
Regional Vice President,
Recruiting



Tonya Hamlin
Regional Vice President,
Recruiting



Jeff Foster
Regional Vice President,
Recruiting

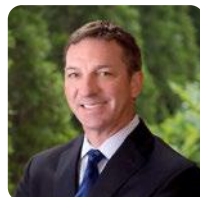
Business Development Leadership



Tim Sheley
Executive Vice President,
Business Development



Ben Stajduhar
Senior Vice President,
Business Development



Tom Rossi
Vice President,
Executive Search

About Jackson Physician Search

Jackson Physician Search is an established industry leader in physician recruitment and pioneered the recruitment methodologies standard in the industry today. The firm specializes in the permanent recruitment of physicians, physician executives and advanced practice providers for hospitals, health systems, academic medical centers and medical groups across the United States. Headquartered in Alpharetta, Ga., the company is recognized for its track record of results built on client trust and transparency of processes and fees. Jackson Physician Search is part of the Jackson Healthcare® family of companies. For more information, visit www.jacksonphysiciansearch.com.

Jackson Physician Search
2655 Northwinds Parkway, Alpharetta, GA 30009
866.284.3388

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