

2024 State of Locum Tenens Report

A comprehensive look at the locum tenens industry

Introduction to locum tenens

Millions of Americans lack convenient access to healthcare or struggle to access specialists. Locum tenens addresses this problem with a medical practice model where a physician or advanced practice provider (referred to as a "locum") temporarily fills in for another provider – either on a short-term or an extended basis. Locum tenens physicians, PAs, and NPs work assignments wherever they're needed, particularly in rural and underserved areas. Locums also cover other providers' vacations or personal leaves and fill gaps in coverage while a healthcare facility is actively recruiting for an open permanent position.

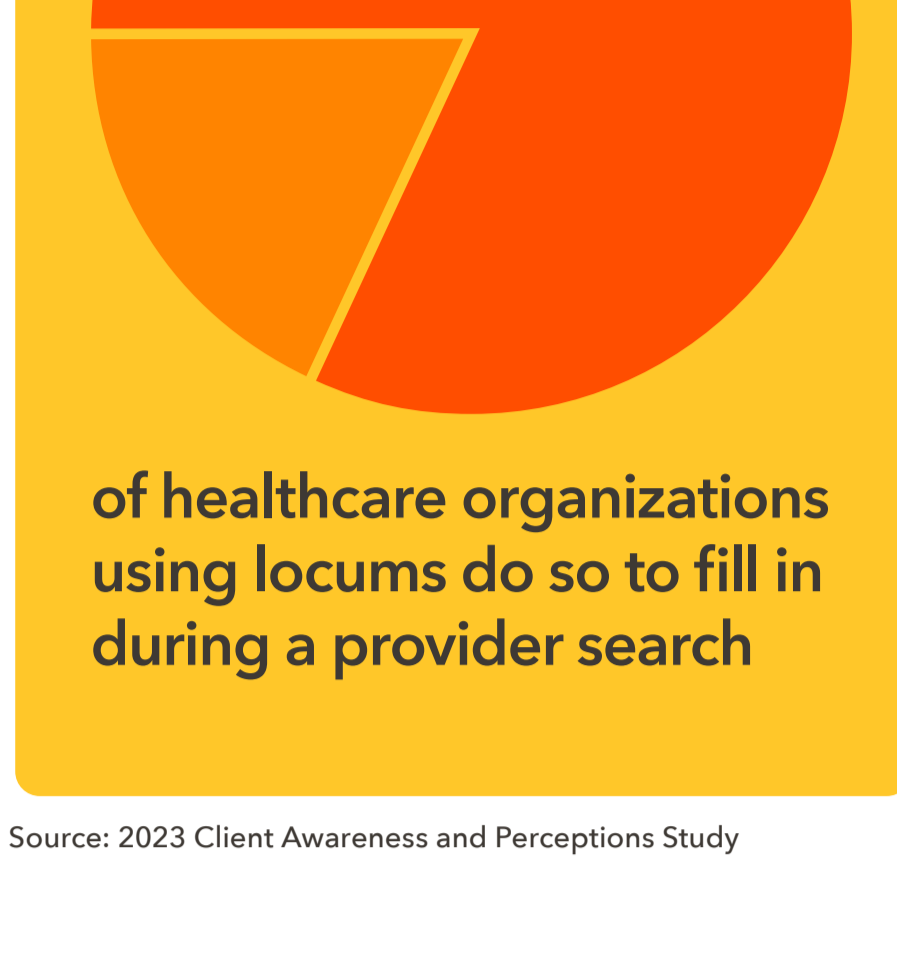
CHG Healthcare and locum tenens

The locum tenens industry was started in 1979 by CompHealth's founders to provide coverage for rural physicians who needed time off to receive updated training. Today, CHG Healthcare – the parent company of [CompHealth](#), [Weatherly Healthcare](#), [Global Medical Staffing](#), [RNnetwork](#), [Modio Health](#), and [Locumsmart](#) – is committed to [building a sustainable healthcare workforce](#) that improves patient care wherever it's needed most.

CHG Healthcare works with more than ten thousand locum tenens providers every year, who treat more than 11 million patients. Current estimates indicate that about 52,000 physicians work temporary locum tenens assignments in the U.S. annually, and CHG works with more than 21% of them.

Locum tenens usage by healthcare organizations

Locum tenens providers are primarily used to provide coverage while a healthcare facility tries to fill an open position. In a 2023 CHG Healthcare study, a vast majority of healthcare facilities (82%) surveyed said their top reason for hiring locums was to fill an opening until a permanent candidate could be found.

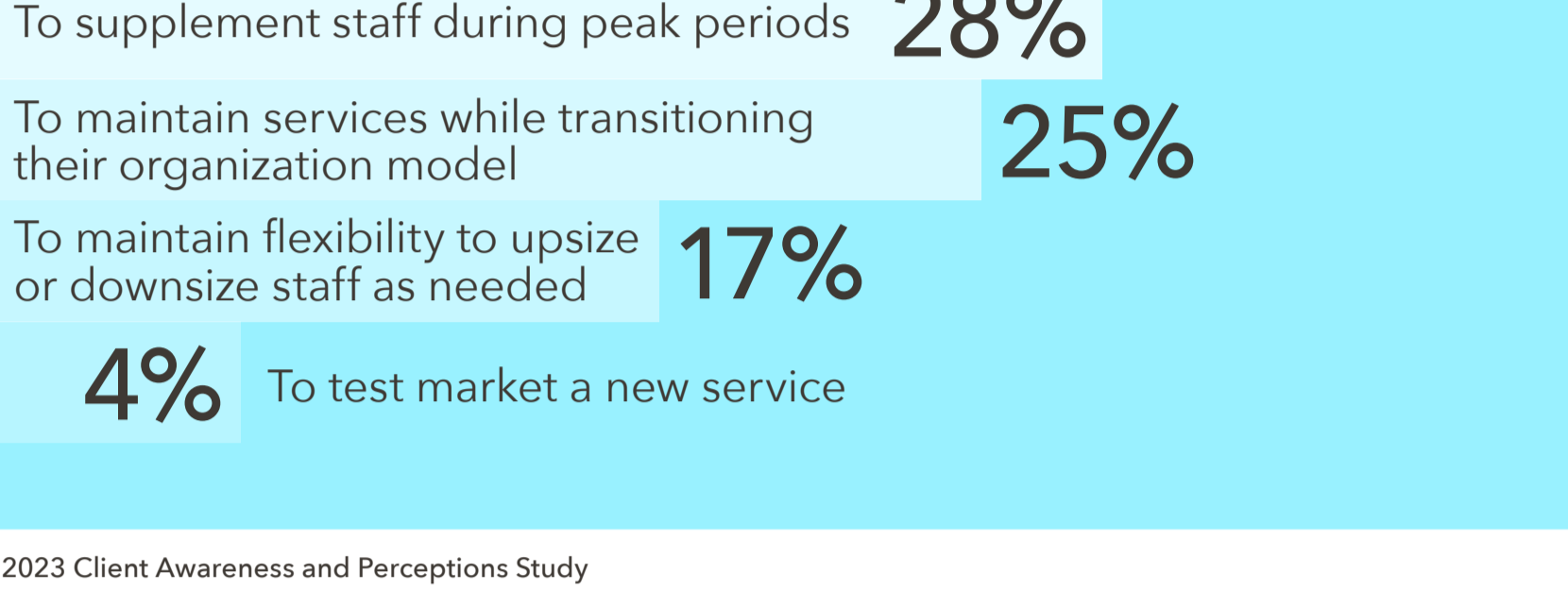


Source: 2023 Client Awareness and Perceptions Study

However, the growing provider shortage has made hiring much more difficult, especially for high-demand medical specialties. As a result, many healthcare facilities are turning to locum tenens providers as an agile way to quickly scale up and down services. Health systems are also using locum providers to relieve pressure on permanent staff – either for leave coverage or to improve working conditions for medical staff.

Why do healthcare organizations hire locums?

Locums are used to scale medical services

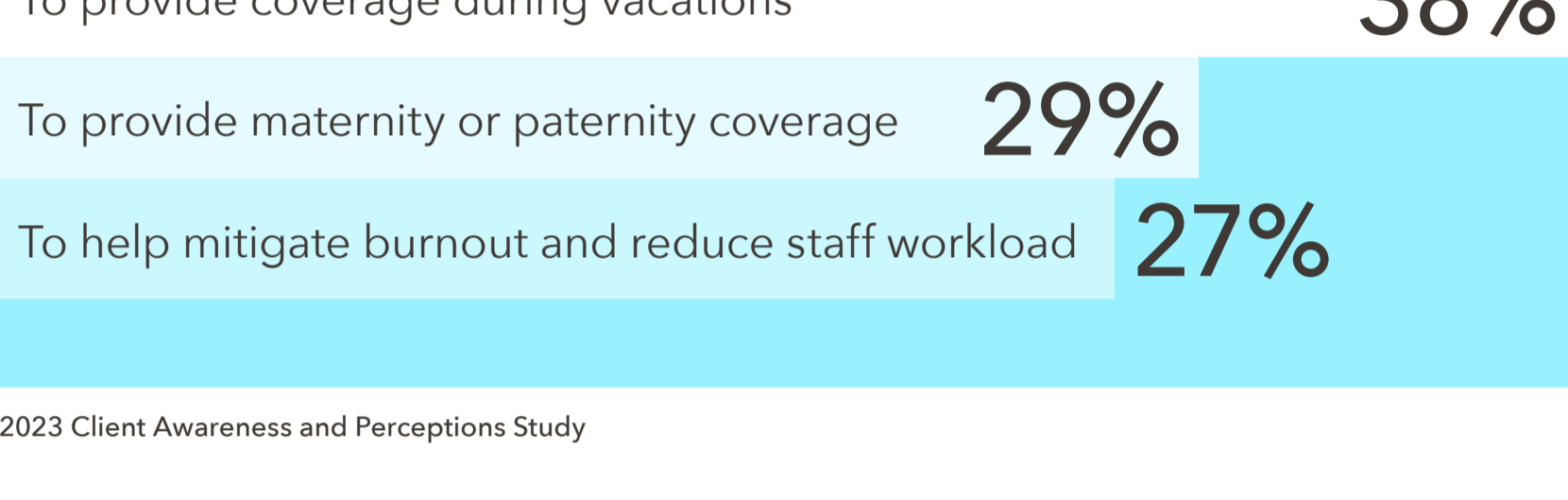


Source: 2023 Client Awareness and Perceptions Study

"Burnout is an ongoing concern for all health systems, and at Sanford the use of locums can help fill gaps in rotations that will give our permanent providers time to decompress."

Darin Musser, Sr. Director, Locum Tenen Services | Sanford Health

Locums are used to relieve pressure on medical staff



Source: 2023 Client Awareness and Perceptions Study

Benefits of locum tenens



Source: 2023 Client Awareness and Perceptions Study

When billed for correctly, locum tenens is a revenue generator. In 2023, nearly half of healthcare organizations surveyed (46%) said a top reason they used locum tenens providers was to prevent revenue loss.

A CHG Healthcare study found that healthcare facilities which consistently enroll locum tenens providers with payors and bill correctly generate an estimated **400% more revenue** than those that do not have a well-defined process.

Run your own numbers: [Calculate potential revenue from locum tenens](#)

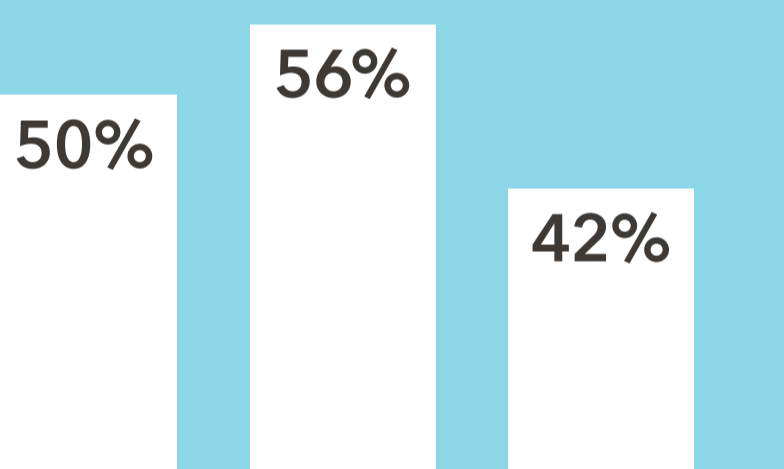
In addition to generating revenue, locum tenens allows healthcare facilities to ensure continuity of treatment for better [patient retention and loyalty](#), [prevent staff burnout](#), and try out candidates before extending an offer. The timely availability of locum tenens providers is also cited as a top benefit.

Top benefits of locum tenens



Source: 2023 Client Awareness and Perceptions Study

Locum tenens reduces staff burnout



Sources: 2023, 2021, 2019 Client Awareness and Perceptions Studies

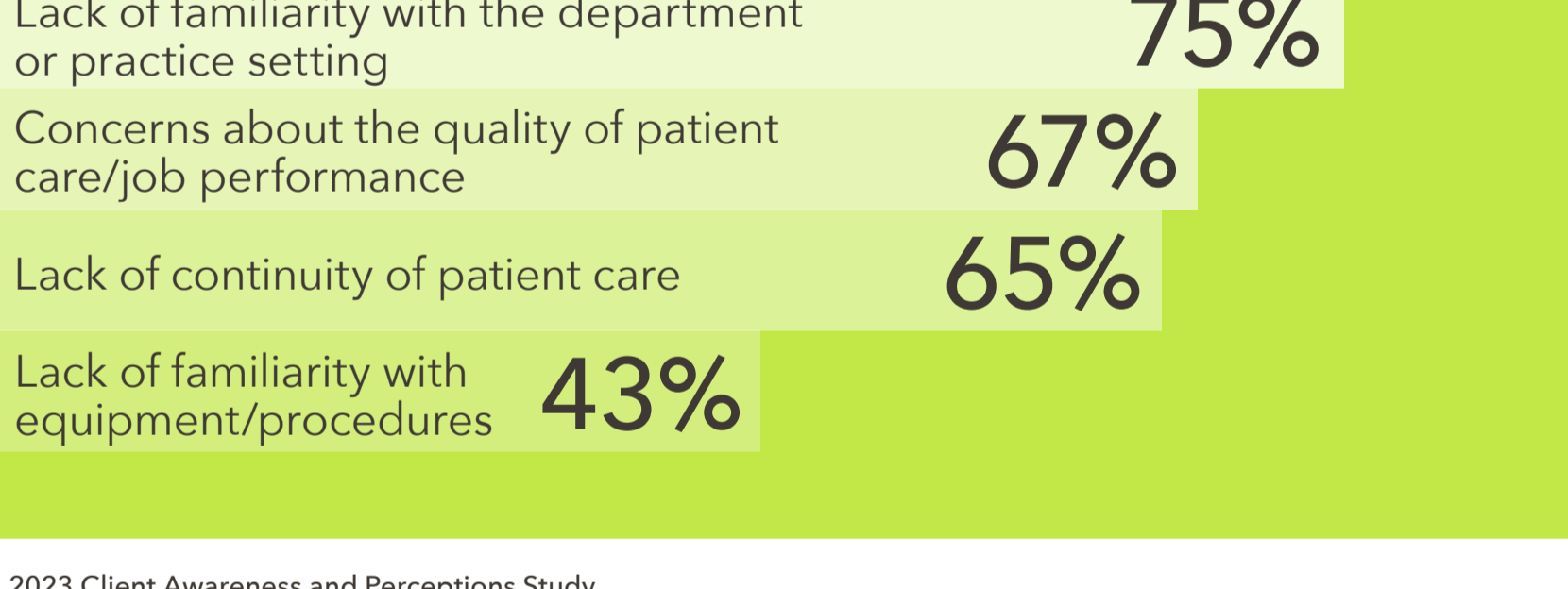
Locums as a remedy to provider burnout

Provider wellness continues to be a concern for healthcare organizations as indicated by the 42% who view that locum tenens providers is the 42% who view that can help reduce burnout among existing staff. The level of concern was highest in 2021, when CHG's Client Awareness and Perceptions Study found that nearly 56% of healthcare organizations viewed locum tenens as a solution to burnout.

Challenges of locum tenens

Not all healthcare organizations are on board with the concept of locum tenens providers as revenue generators. About 88% balk at the higher cost of locum tenens providers and would rather hire permanent employees than bring on locum providers. Other top concerns include worries about quality and continuity of care and locum providers not being familiar with local systems and processes.

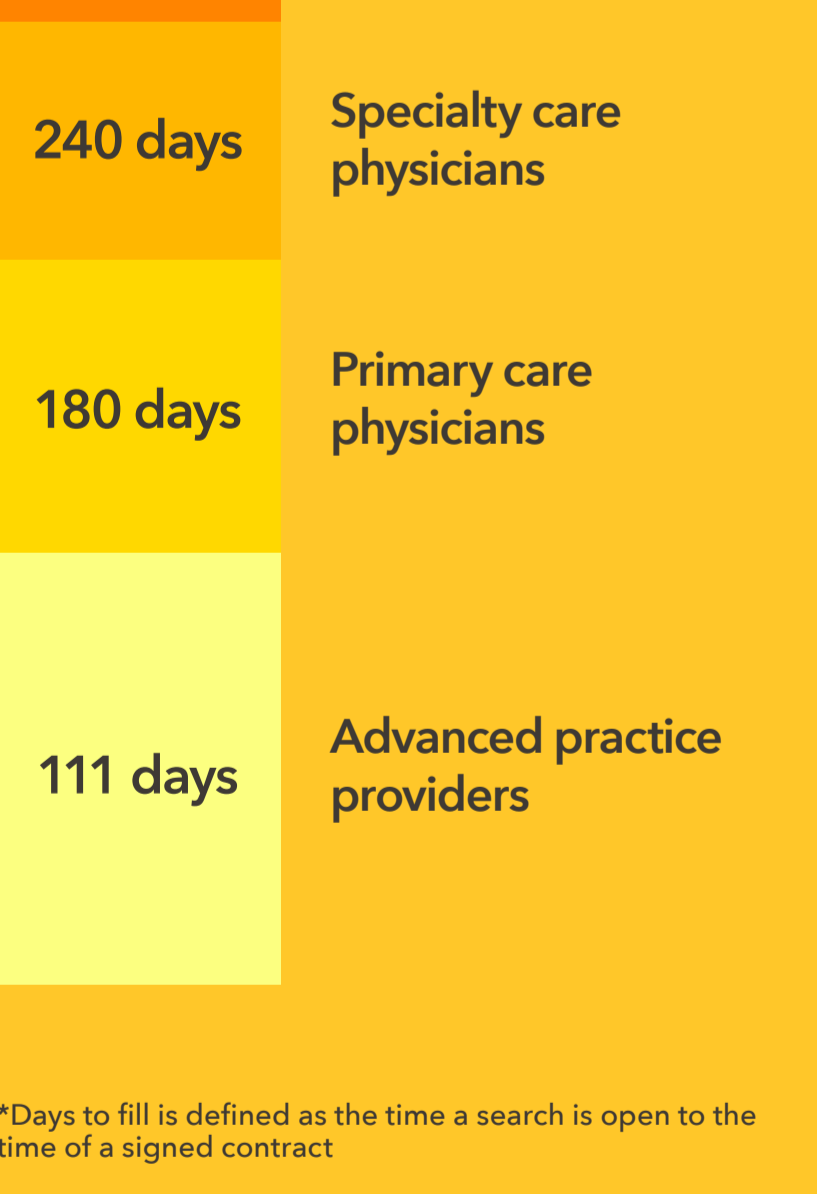
Common concerns about using locum tenens providers



Source: 2023 Client Awareness and Perceptions Study

Locum tenens cost vs. lack of coverage

Average days to fill a position* (all searches)



*Days to fill is defined as the time a search is open to the time of a signed contract

Source: AAPP 2023 Internal Physician and Provider Recruitment Benchmarking Report

Healthcare facilities that are resistant to hiring locum tenens providers due to cost often suffer from lack of coverage when they are unable to maintain adequate staffing levels. Data from the Association for Advancing Physician and Provider Recruitment (AAPP 2023 [Internal Physician and Provider Recruitment Benchmarking Report](#) shows it can take months to fill an open position with a new permanent hire, with some hard-to-fill specialties taking a year or more to fill.

Without a locum tenens provider in place, the loss of revenue can be significant. The [average physician generates \\$2.4 million in net revenue per year](#) – revenue that is lost without a replacement. So, while the average hourly or daily rate of a locum provider is usually higher than the wage of an employed provider, the potential for lost revenue is much greater, especially since locum providers are revenue generators when billed for correctly.

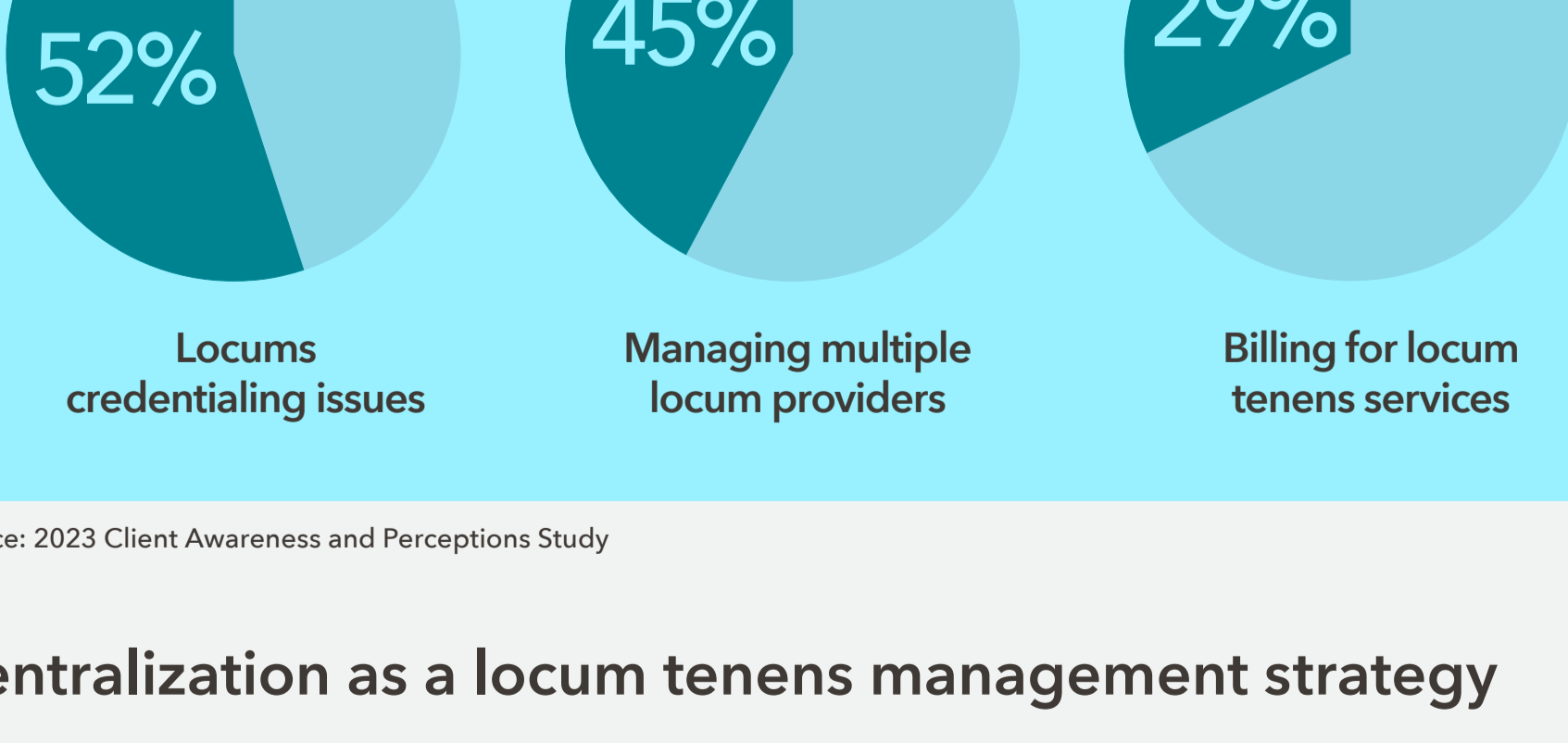
Locum tenens quality of care

Despite the common concern about the quality of patient care, [mortality rates are similar for patients treated by locums](#) compared to those treated by employed physicians. In fact, one study found that patients treated by locums had a lower 30-day readmission rate.

How healthcare organizations are managing locum tenens

The effort associated with managing multiple providers is also cited as a challenge of using locums. The most commonly cited administrative burdens of locum tenens are credentialing issues (cited as a challenge by 52% of respondents), managing multiple locum providers (45%), and billing for locum tenens services (29%)

Administrative burden of locum tenens



Source: 2023 Client Awareness and Perceptions Study

Centralization as a locum tenens management strategy

One of the ways large healthcare organizations are coping with the administrative burden of recruiting and managing multiple locum providers is by centralizing their locum tenens hiring function.

[Parkview Health](#) dedicated one internal point person for locum tenens hiring and streamlined its locum tenens hiring process. When a need is identified, departments make the request to that single point of contact who helps them get the locum tenens providers they need.

"Now we have one person who understands the credentialing process and who can create efficiencies with our medical staff. When a department needs a locum, they're going to deal with one person who will know what they want, make sure they get it, and make it as easy as possible."

Angela Pulcini, Director, Provider Services | Parkview Health

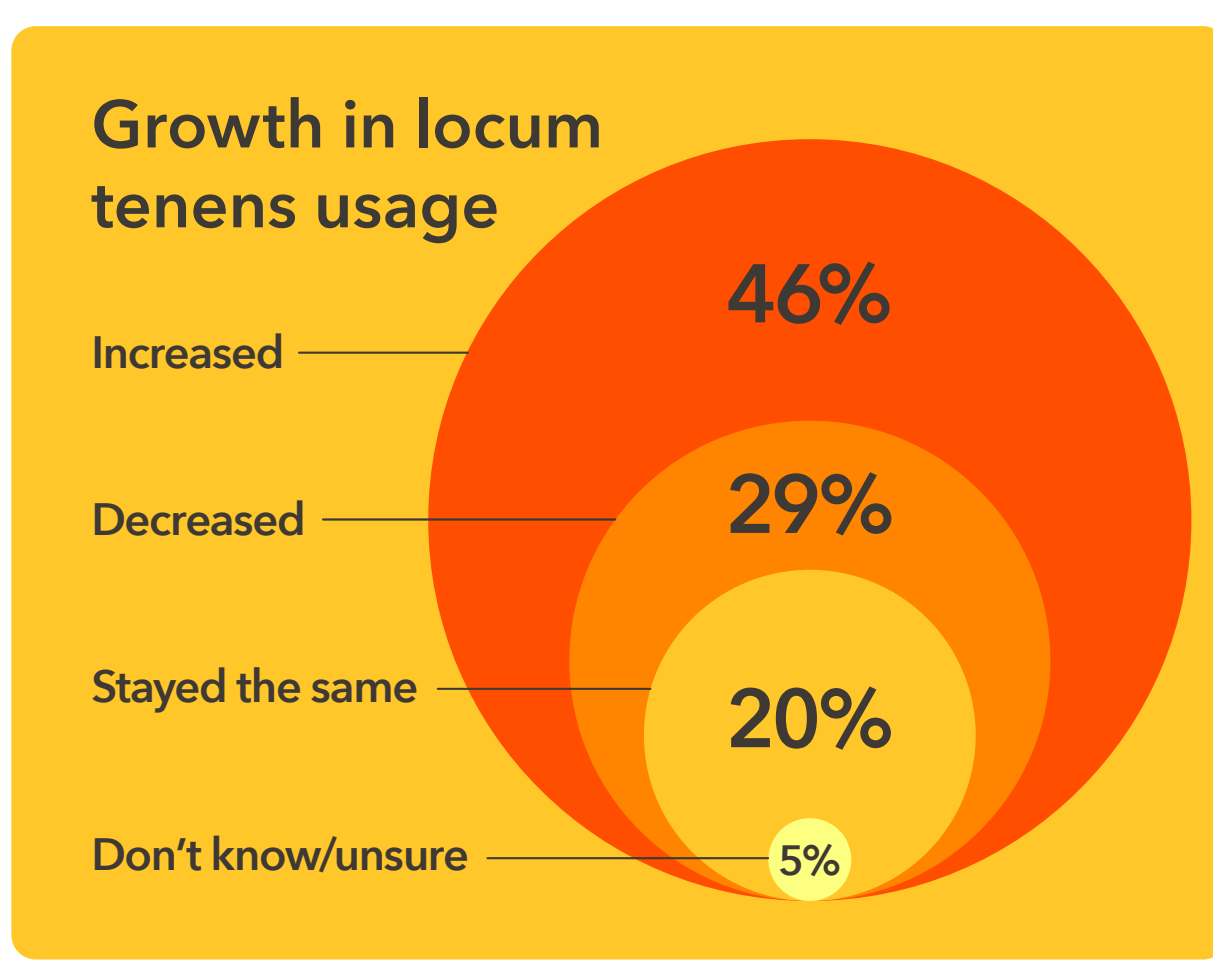
[UnityPoint Health](#) also funnels all locum tenens requests through one central department and hires the bulk of its locum tenens providers through CHG Healthcare. This centralization has allowed UnityPoint Health leaders to have increased visibility into locums usage.

"The centralized process makes it much easier for us to make strategic decisions."

Alan Johnson, Director of Provider Recruitment | UnityPoint Health

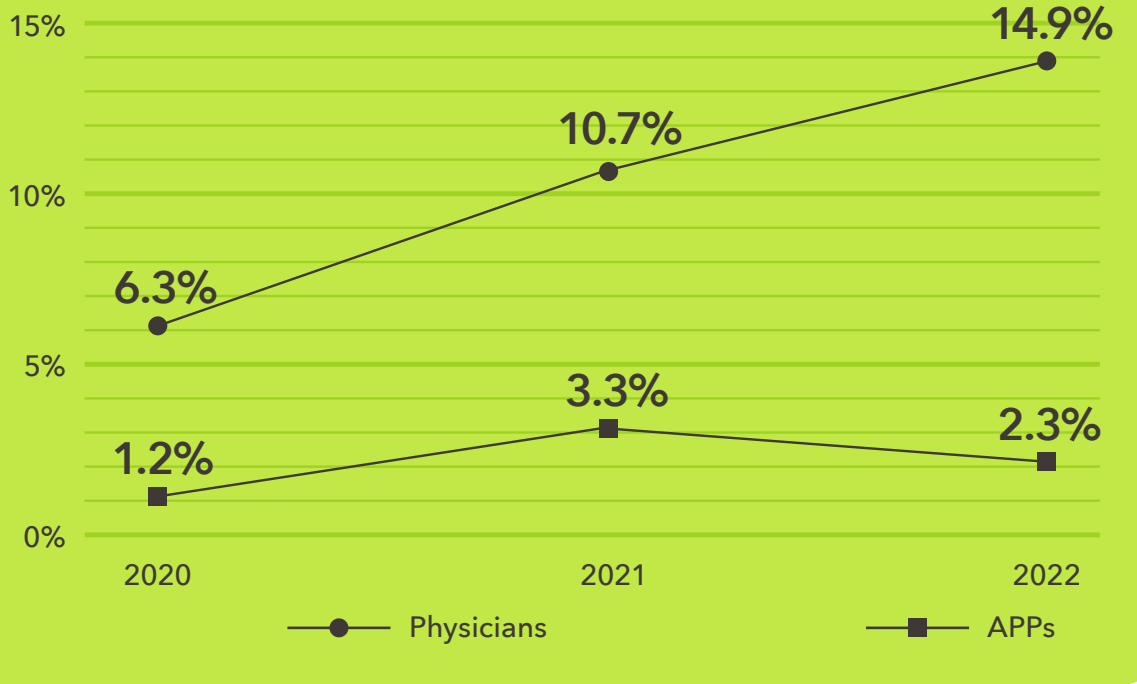
Locum tenens industry trends

Healthcare organizations continue to increase their use of locum tenens physicians. Nearly half (46%) increased locum usage in 2022 compared to the prior year, while 20% stayed about the same. Only 29% reported decreased usage.



Source: 2023 Client Awareness and Perceptions Study

Percentage of provider searches that used locums

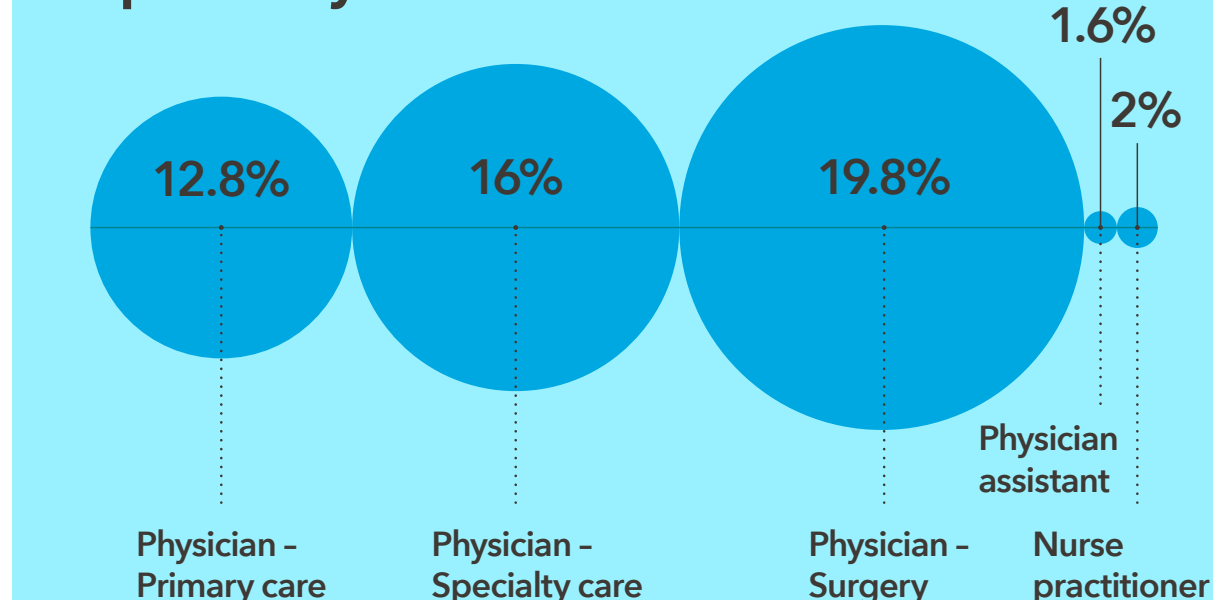


Source: AAPP 2023 Internal Physician and Provider Recruitment Benchmarking Report

Similarly, AAPP found that the percentage of provider searches using locum tenens grew from 10.7% in 2021 to 14.9% in 2022 for physicians. Usage of advanced practice providers has declined slightly from 3.3% in 2021 to 2.3% in 2022.

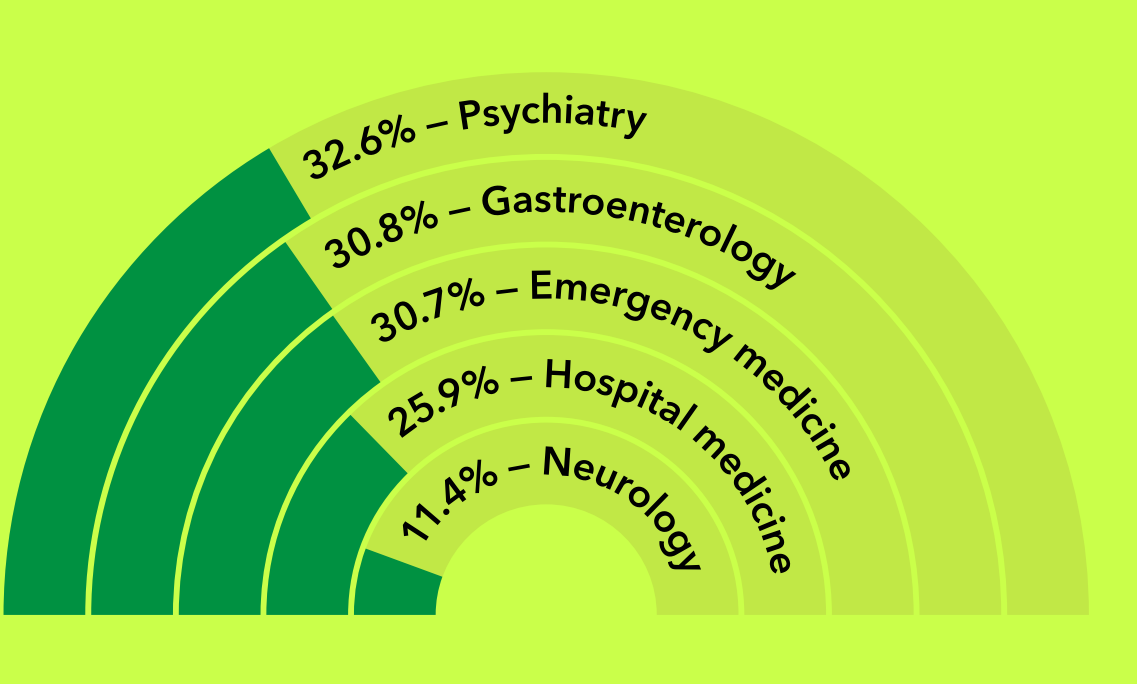
Locum tenens usage by specialty division

When searching to fill an open position, surgeons (19.8%) are the most common type of locum brought in to provide coverage, followed by other specialists (16%) and then primary care (12.8%).



Source: AAPP 2023 Internal Physician and Provider Recruitment Benchmarking Report

Top search specialties that used locum tenens



Source: AAPP 2023 Internal Physician and Provider Recruitment Benchmarking Report

The highest demand specialties for locum tenens during a physician search were psychiatry (32.6%) and gastroenterology (30.8%). This is double the prior year where just 15.5% of gastroenterology searches used locums and only 15% of psychiatry searches.

“As we are beginning the ‘silver wave’ of provider retirements and experiencing rapid growth, we have leaned heavily on locum tenens providers to help us deliver uninterrupted care to our rural communities.”

Brianna Erickson, Director of Provider Experience | Aspirus Health

Provider workforce challenges in 2024

The top priorities for health system human resource leaders in 2023 are focused on developing more flexible staffing models, managing labor costs, and improving the care team experience. Locum tenens will continue to be an important solution to help these leaders achieve their goals.

Top 5 priorities rated “more important” in 2023 vs. 2022



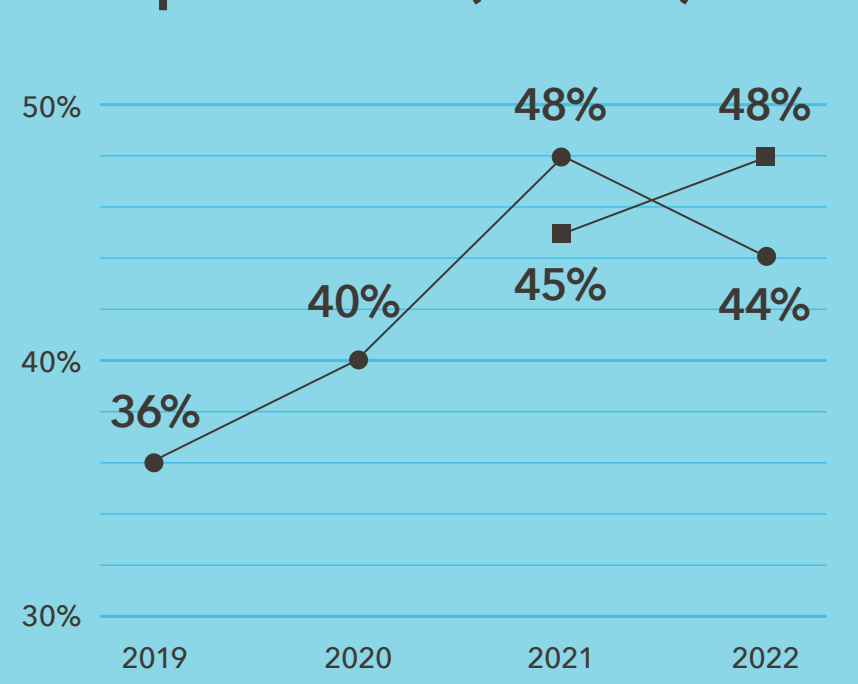
Source: Academy IQ CHRO roundtable May 2023

High staff turnover in healthcare

In addition to the growing provider shortage, high turnover is making it challenging to keep departments fully staffed. The [average hospital turnover rate](#) over the last five years has been 105%.

According to AAPP, nearly half (44%) of physician searches in 2022 were to replace a departing physician and 48% of searches were to replace a departing APP.

Replacing departing providers (trends)

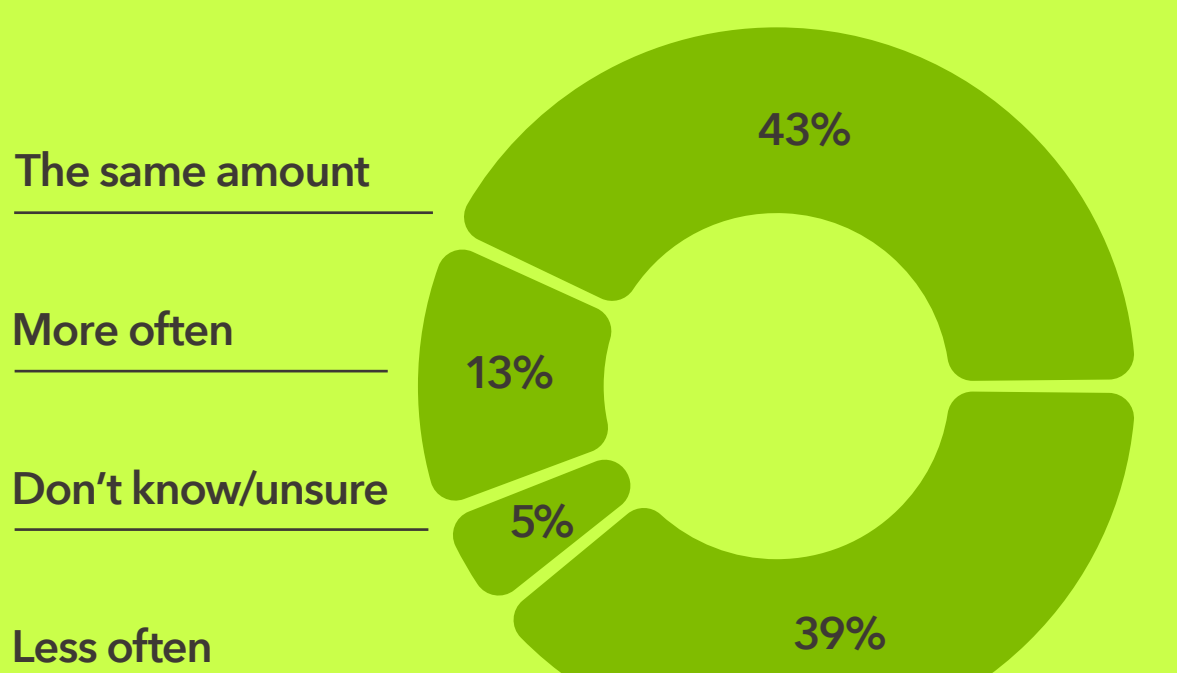


Source: AAPP 2023 Internal Physician and Provider Recruitment Benchmarking Report

2024 locum tenens forecast

A majority of healthcare organizations (56%) expect to increase or maintain their current levels of locum tenens use in 2024.

Projected locum tenens utilization change in 2024



Source: 2023 Client Awareness and Perceptions Study

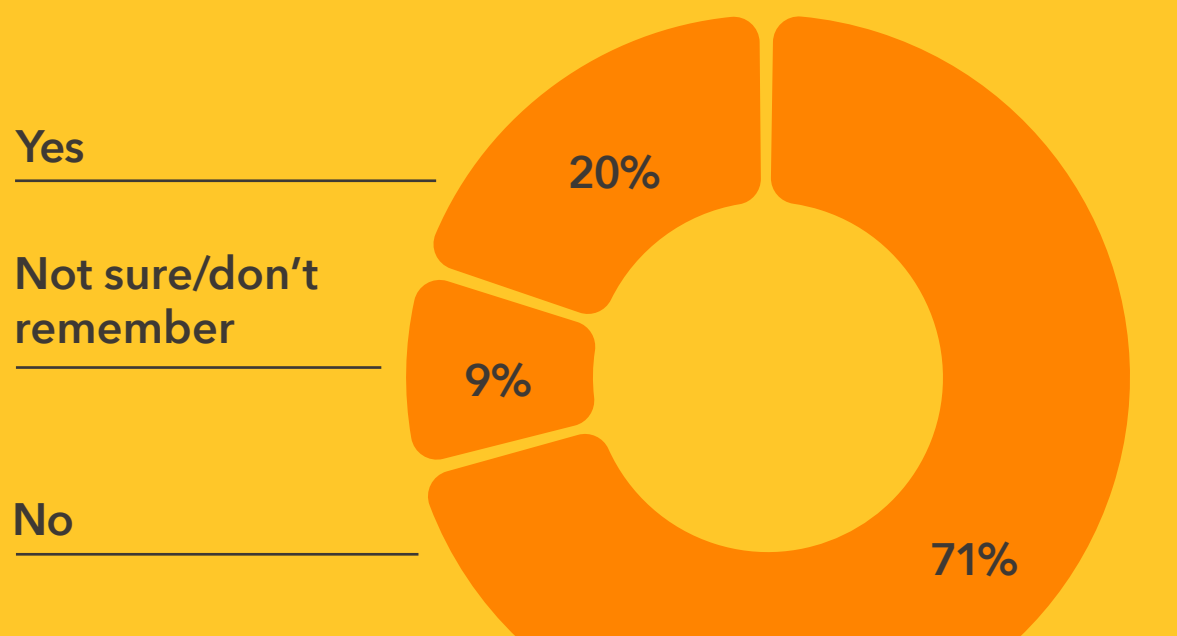
The flexibility of locums in filling coverage gaps or quickly adjusting staffing levels to meet patient demand will continue to make it the go-to option for healthcare organizations in 2024. This is especially true for the highest-demand specialties, which continue to be a challenge for physician recruiters.

Telehealth and locum tenens

More than a third of physicians (37%) say they’re interested in working [telehealth locum tenens](#) as a side job, and 30% are interested in locums telehealth full time.

However, only 20% of physicians had the option to work telehealth as part of their locums assignment in the past year, indicating that demand for this option still outweighs the supplied opportunities.

Telehealth option provided while working locum tenens



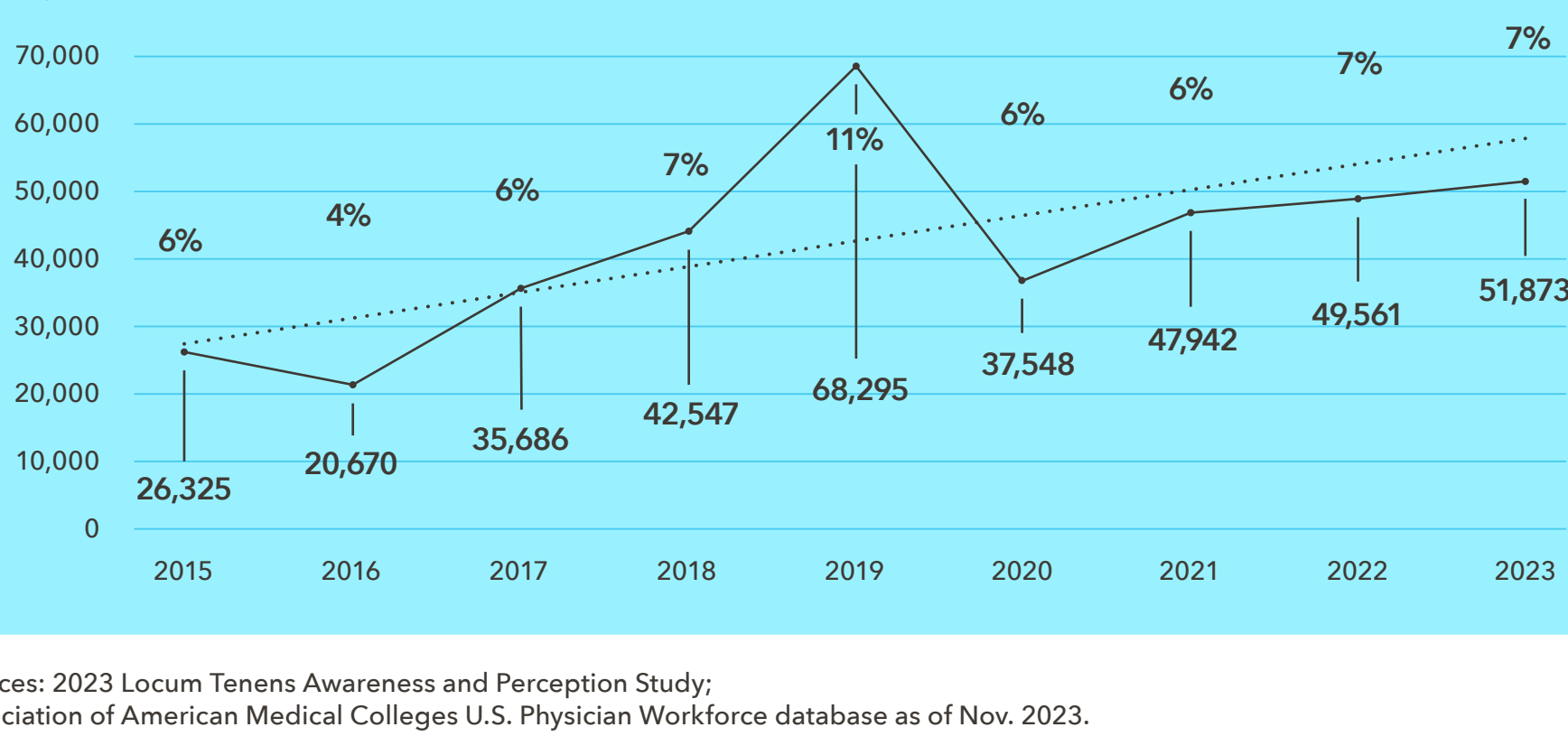
Source: 2023 Locum Tenens Awareness and Perception Study

High provider interest in working telehealth combined with an [industry shift toward more virtual care](#) will likely produce more telehealth locum tenens opportunities in the future. McKinsey & Company estimates that [50 million in-person visits per year could be converted to virtual visits](#) if adoption were extended equally across patient segments.

Locum tenens provider profile

An estimated 7% of the available physician population (about 52,000) is working locum tenens either full or part time. This is a 97% increase in physicians working locums since 2015.

How many physicians are working locum tenens?



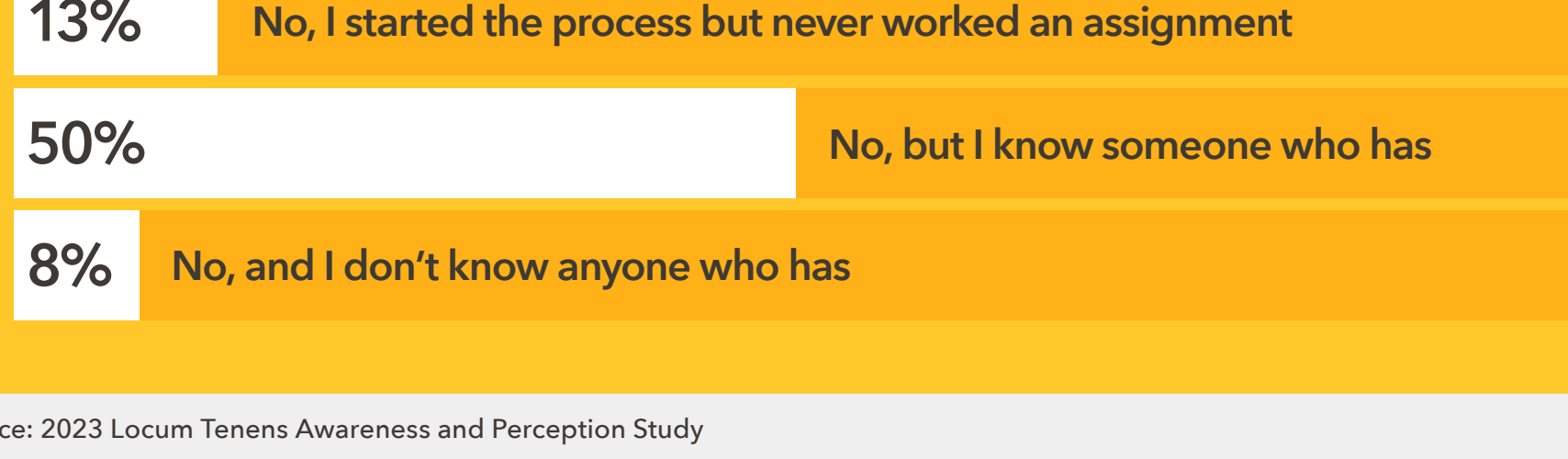
Sources: 2023 Locum Tenens Awareness and Perception Study; Association of American Medical Colleges U.S. Physician Workforce database as of Nov. 2023.

Physicians who require a visa to work in the United States constitute about 24% of the total physician population and are not normally eligible to work locums. Removing this population from AAMC's [2023 U.S. Physician Workforce Data Dashboard](#) (989,320) and comparing it to the number that reported they currently worked locums in 2022, the total would be 51,873 physicians.

How experienced are physicians with locum tenens?

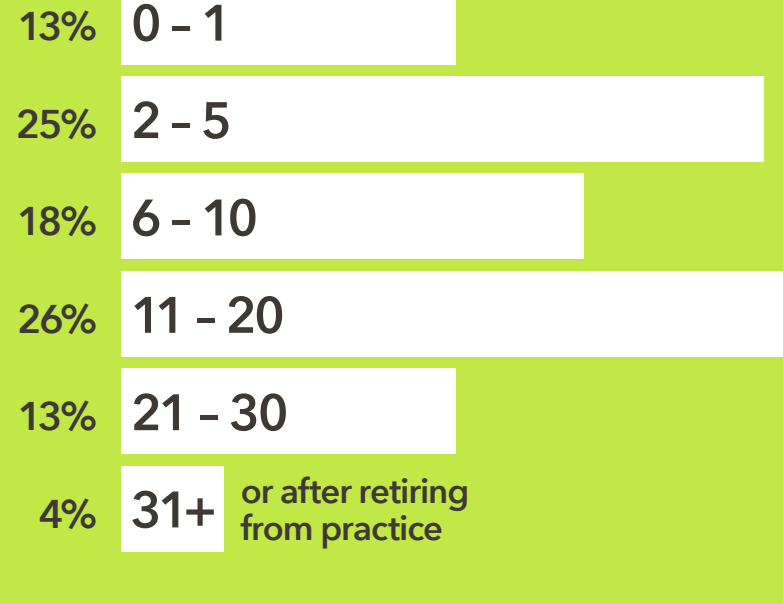
Although only 7% of physicians say they are currently working locum tenens, 21% of physicians surveyed have worked locum tenens in the past.

Locum tenens experience



Source: 2023 Locum Tenens Awareness and Perception Study

Years of practice before working locum tenens



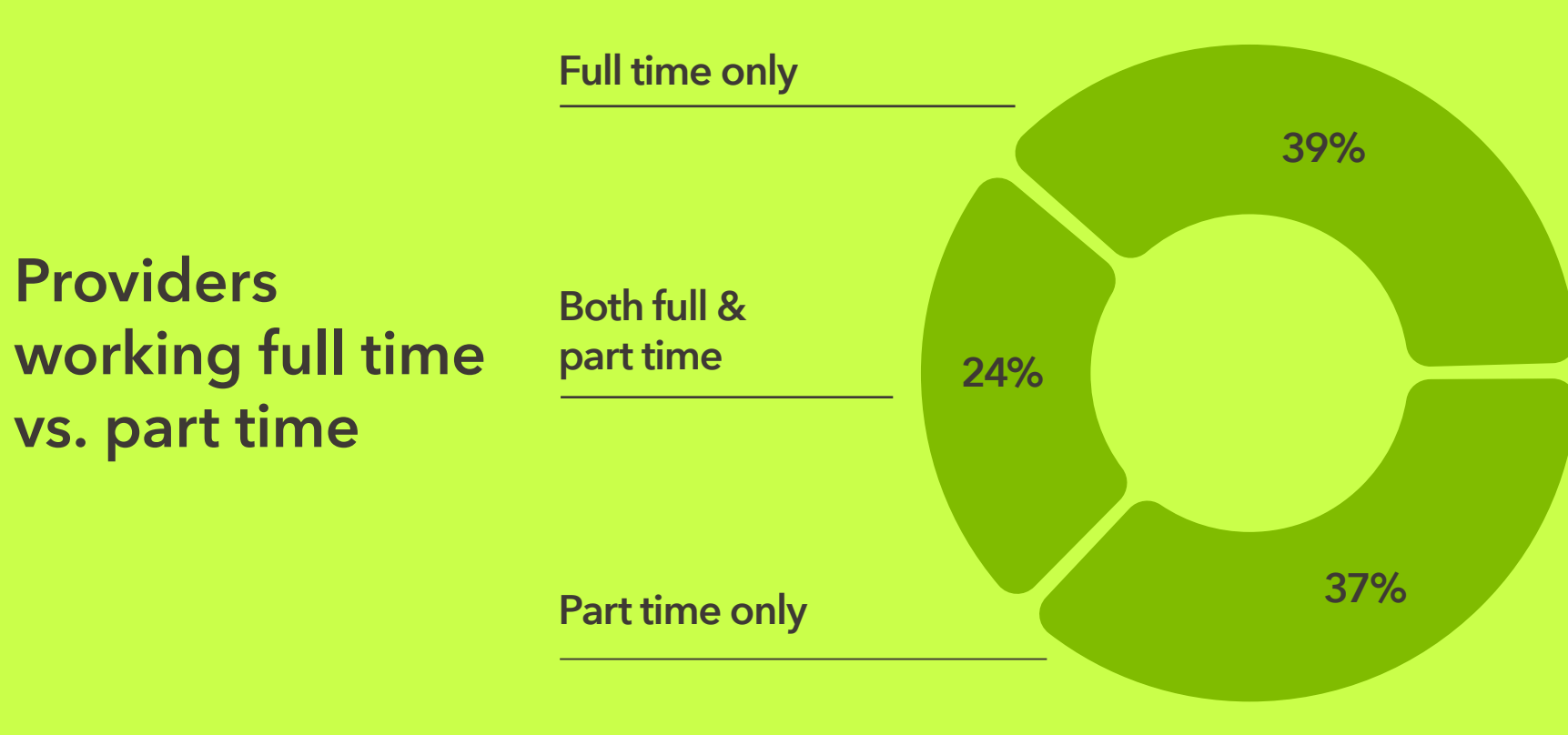
Source: 2023 Locum Tenens Awareness and Perception Study

When do physicians start working locum tenens?

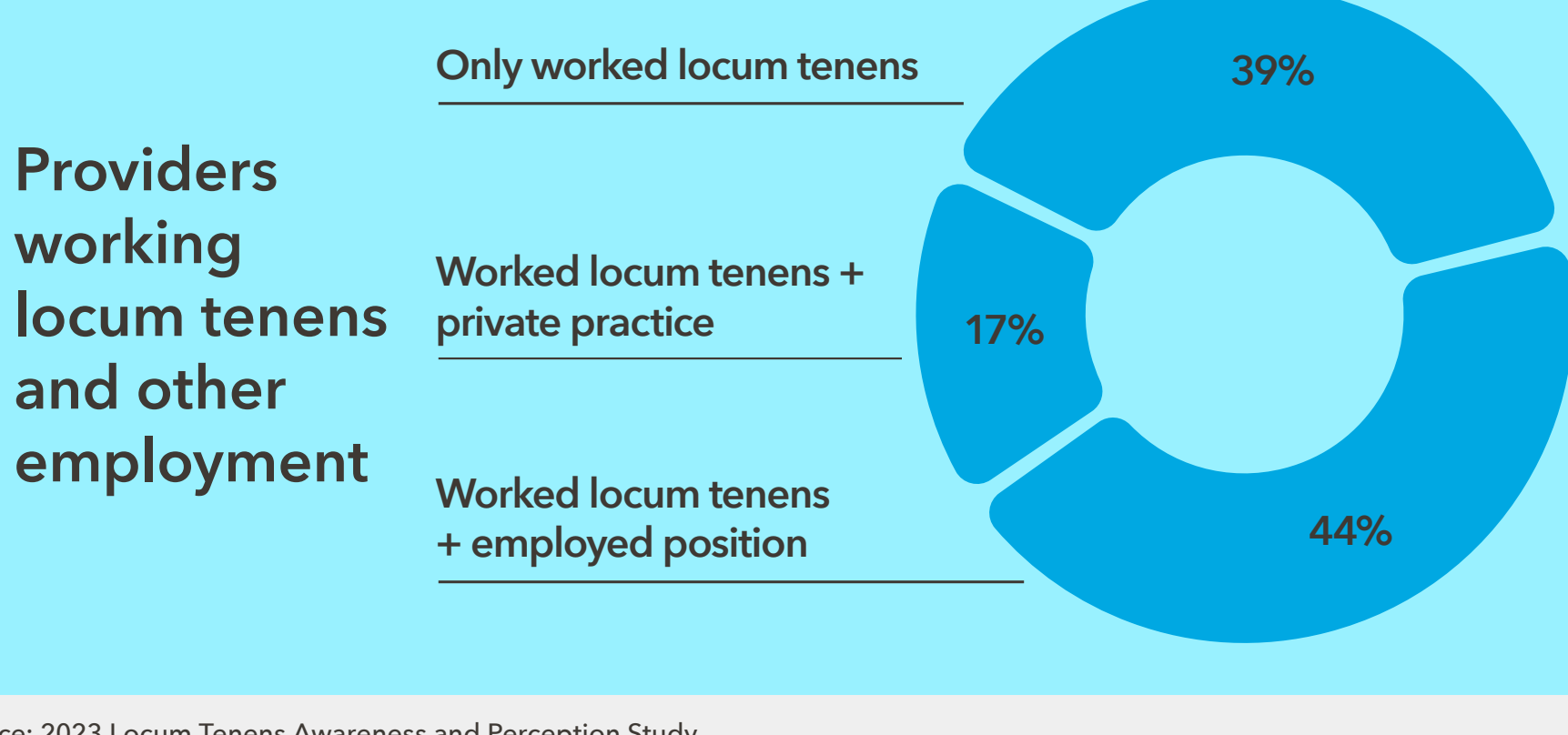
Most physicians (56%) work locum tenens early in their career, with 13% working locums right out of residency.

How much do physicians work locum tenens?

More physicians work locum tenens full time (39%) than part time (37%), but the difference is slight, and about a quarter of physicians (24%) have worked both full- and part-time gigs. Most physicians (61%) work locum tenens assignments in addition to an employed position or private practice.



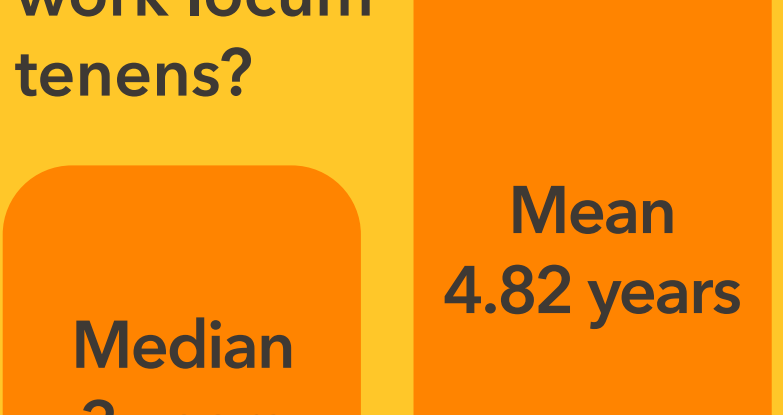
Source: 2023 Locum Tenens Awareness and Perception Study



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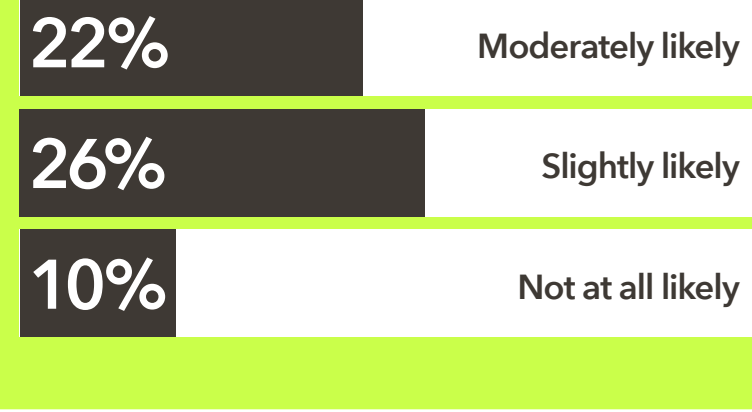
How long do physicians work locum tenens?

Physicians who work locum tenens typically do so for years, and more than half (65%) of those who are currently working locum tenens say they are at least moderately likely to continue.



Source: 2023 Locum Tenens Awareness and Perception Study

Likelihood to continue working locum tenens



Source: 2023 Locum Tenens Awareness and Perception Study

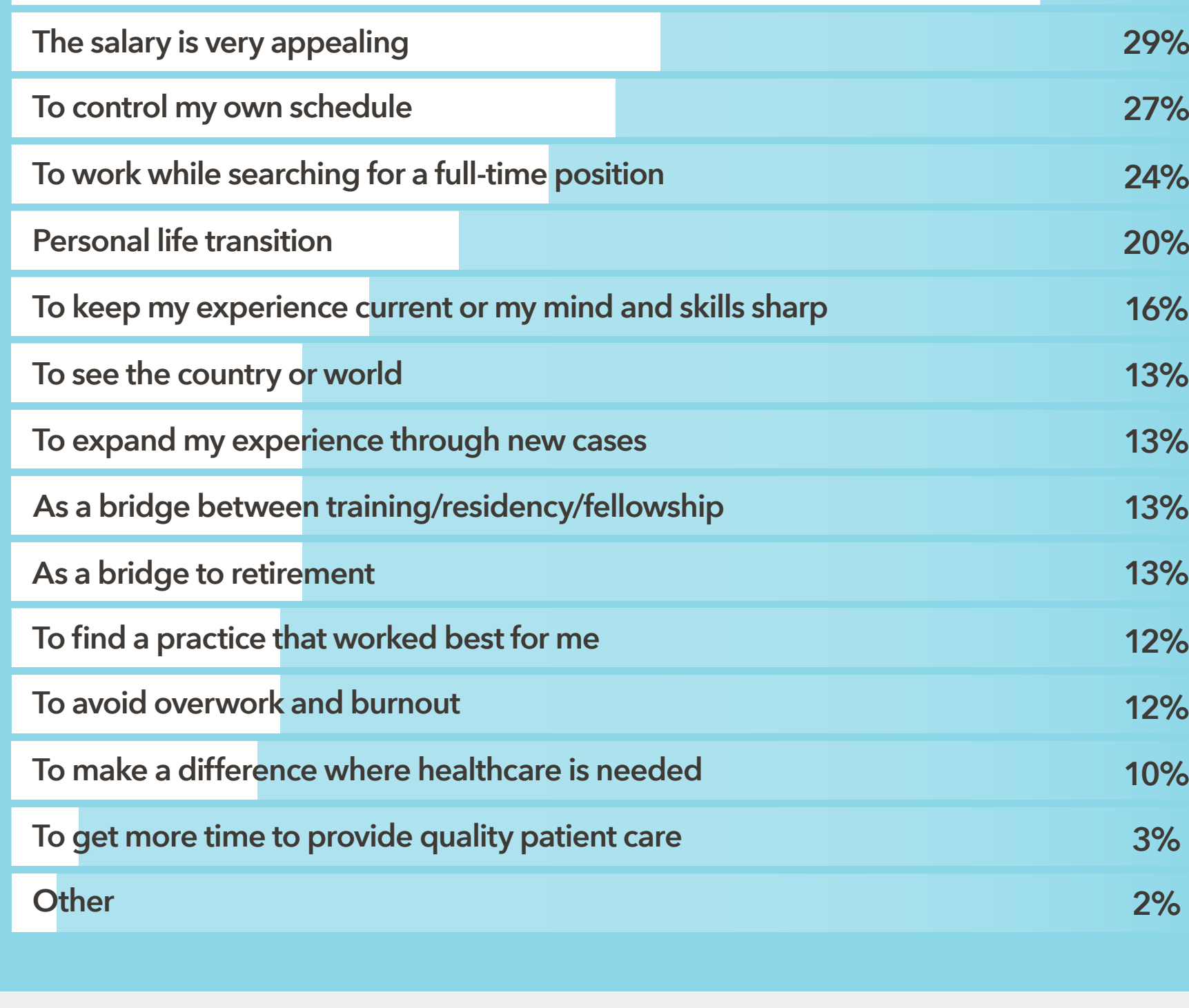
Why do physicians work locum tenens?

Most physicians work locums assignments for the money. Nearly half (46%) choose to work locum tenens to supplement their core income, while 29% say it was because the salary was appealing.

Locum tenens is also frequently used to fill a career gap, whether it's between phases of training (13%), searching for a new job (24%), or transitioning to retirement (13%).

Another top reason is to have more control over their schedule for a better work/life balance (27%). [Hospitalist Dr. Tamy Allen](#) says, "Having the ability to decide how much or how often I work rejuvenates me and prevents the burnout I see in my colleagues."

Reasons physicians start working locum tenens



Source: 2023 Locum Tenens Awareness and Perception Study

What are the highest-demand locum tenens physician specialties?

The highest-demand specialties for locum tenens have stayed fairly consistent over the past five years. The biggest shifts were pandemic-related, with an increase in cardiology/pulmonology and a drop in surgical specialties from 2020 - 2022. In 2023, surgical specialties and anesthesiology rebounded as demand for surgical services has increased.

Top locum tenens specialties (2019 - 2023)

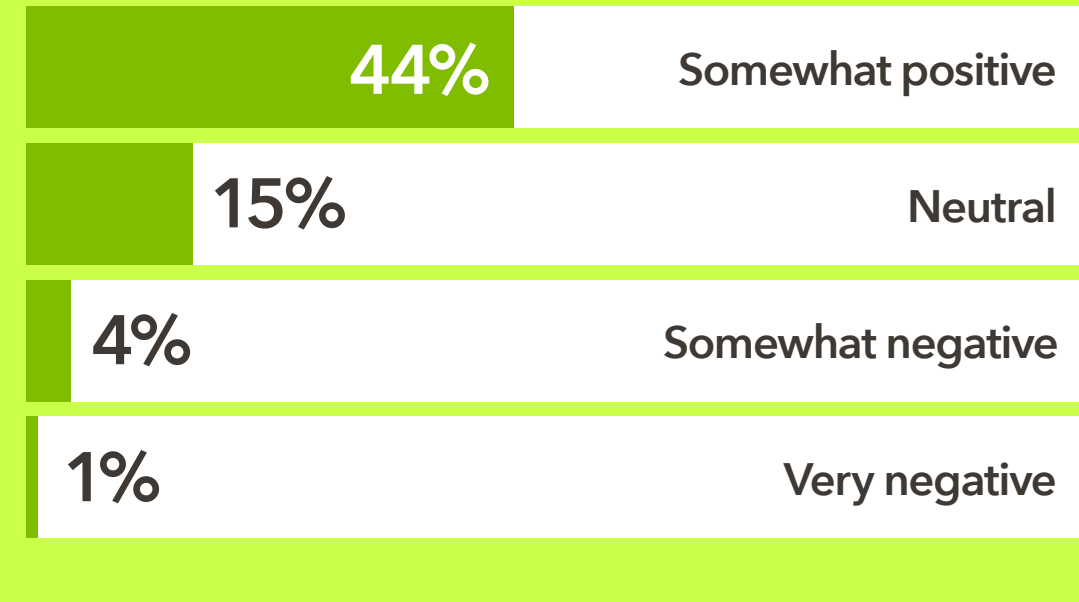
Rank	2019	2020	2021	2022	2023
1	Primary care	Primary care	Primary care	Primary care	Primary care
2	Sub-specialties	Sub-specialties	Sub-specialties	Sub-specialties	Sub-specialties
3	Surgical specialties	Cardiology/pulmonology	Cardiology/pulmonology	Cardiology/pulmonology	Surgical specialties
4	Cardiology/pulmonology	Surgical specialties	Surgical specialties	Surgical specialties	Cardiology/pulmonology
5	Psychiatry	Psychiatry	Oncology	Oncology	Oncology
6	Emergency medicine	Oncology	Psychiatry	Psychiatry	Anesthesiology
7	Obstetrics/gynecology	Obstetrics/gynecology	Obstetrics/gynecology	Obstetrics/gynecology	Obstetrics/gynecology
8	Pediatrics	Pediatrics	Pediatrics	Pediatrics	Pediatrics
9	Oncology	Emergency medicine	Anesthesiology	Anesthesiology	Psychiatry
10	Anesthesiology	Anesthesiology	Emergency medicine	Emergency medicine	Emergency medicine

Source: CHG Healthcare internal data, Nov. 2023

How positive is the locum tenens experience for physicians?

Most physicians (81%) say they have had a positive experience working locum tenens.

Overall impression of locum tenens



Source: 2023 Locum Tenens Awareness and Perception Study

Methodology

CHG Healthcare compiled these statistics from surveys issued to physicians and healthcare organization leaders, along with internal data and third-party sources.

Let's connect

If you have questions about the report or would like to speak with our experts about staffing needs, please call to speak to an advisor.

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