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STAFF CARE 
an AMN Healthcare company

2017 SURVEY OF TEMPORARY PHYSICIAN STAFFING TRENDS

BASED ON 2016 DATA

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Member of the National Association of Locum Tenens Organizations



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Summary Report

2017 Survey of Temporary Physician Staffing Trends, Based on 2016 Data

OVERVIEW

Staff Care is a leading healthcare staffing firm specializing in matching temporary (i.e., *locum tenens*) physicians, physician assistants, nurse practitioners, dentists and other healthcare professionals with hospitals, medical groups, government facilities, Federally Qualified Health Clinics (FQHCs) and other healthcare organizations nationwide.

Established in 1992, Staff Care is a company of AMN Healthcare (NYSE: AMN), the leader in innovative healthcare workforce solutions and the largest healthcare staffing organization in the United States as ranked by *Staffing Industry Analysts*. Staff Care is proud to be certified by the Joint Commission and by the National Committee for Quality Assurance (NCQA) and to be the sponsor of ***The Country Doctor of the Year Award***.



The practice of one physician filling in for another who is temporarily absent from his or her practice is time-honored in the medical profession. Known as *locum tenens* (Latin for “to take the place of”) temporary physicians have traditionally filled in for colleagues who are ill, travelling or otherwise away from their practices as a professional courtesy.

It was not until the 1970s, however, that the use of locum tenens physicians expanded from limited, ad hoc assignments arranged by physicians themselves to a more broad-based and systematic component of medical staffing. Government grants allotted to make physicians available in medically underserved areas ushered in the modern era of locum tenens staffing, which now is a multi-billion dollar industry.

Today, hospitals, medical groups, FQHCs, and many other facilities use locum tenens physicians for a variety of reasons, while at the same time a growing number of physicians are choosing to work on a locum tenens basis. Staff Care periodically conducts a survey to track trends in locum tenens staffing, both among healthcare facilities that use temporary doctors and among physicians choosing to work temporary assignments.

This report marks Staff Care’s thirteenth *Survey of Temporary Physician Staffing Trends*. Survey data may be useful to physicians, healthcare executives, policy makers, academics, journalists and others who monitor developments in the physician staffing industry. This year, for the fourth time, nurse practitioners and physician assistants also are included in the survey.

METHODOLOGY

Staff Care's 2017 Survey of Temporary Physician Staffing Trends is based on surveys sent by e-mail to healthcare executives and locum tenens physicians, nurse practitioners, and physician assistants nationwide (in some cases, surveys were conducted by telephone). The survey also includes an examination of the temporary staffing assignments Staff Care conducted in calendar year 2016. Data from past Staff Care surveys are included where applicable.



Part I of the survey examines why healthcare facilities, including acute care hospitals, medical groups, state-supported facilities such as behavioral health centers, FQHCs, and others use locum tenens physicians and how they evaluate the quality and services provided by locum tenens practitioners.

Part II of the survey examines why physicians, nurse practitioners and physician assistants choose to work on a locum tenens basis, how they select temporary practice opportunities, how they are perceived by colleagues, and related matters.

Part III of the survey indicates the type of locum tenens staffing assignments Staff Care conducted in calendar year 2016. The breakdown of temporary practitioner "days requested" by profession and/or medical specialty is offered as an indicator of current provider supply and demand trends in locum tenens.

Parts I and II of the survey were conducted throughout August and September of 2016, during which time surveys were emailed to a proprietary list of healthcare facility administrators and to physicians and other healthcare professionals known to practice on a temporary basis. Respondents were self-selected and included Staff Care clients and non-clients, as well as physicians, nurse practitioners, and physician assistants who have worked as locum tenens through Staff Care, through other staffing companies, or on their own. The final survey report was released in January, 2017.

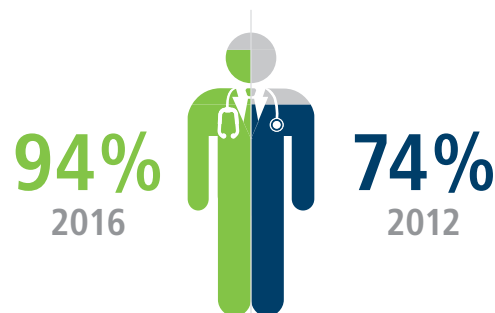
Part 1

Survey of Locum Tenens Physician Users, Including Managers at Hospitals, Medical Groups, FQHCs, Government, and Other Facilities

Number of Surveys Completed = 206

Part I of Staff Care's 2017 Survey of Temporary Physician Staffing Trends examines the use of locum tenens physicians in hospital, medical group, FQHC, and other settings. It seeks to determine the prevalence of locum tenens use in healthcare facilities and the reasons why facilities use temporary doctors. The survey also examines how health facility administrators evaluate the quality of care provided by locum tenens physicians and whether or not they are worth the cost.

KEY FINDINGS OF PART I INCLUDE



- **94% of healthcare facility managers surveyed reported using locum tenens physicians sometime during the last 12 months.** This is up from 91% in 2014, the last year for which Staff Care has data, and up from 74% in 2012. This is the highest number of healthcare facilities using locum tenens providers that Staff Care has recorded in any of its surveys.

- **47% of healthcare facility managers said they now are seeking locum tenens physicians.** This is up from 42% in 2014 and up from 39% in 2012. This is the highest number of healthcare facilities actively seeking locum tenens providers at any given time that Staff Care has recorded in any of its annual surveys.



43.5%

Primary care in highest demand as locum tenens

- **Primary care remains the specialty in highest demand as locum tenens.** 43.5% of healthcare facility managers surveyed said they used locum tenens primary care physicians in the last 12 months, up from 35% in 2014 and up from 28% in 2012.

- **Physicians practicing hospital inpatient medicine (hospitalists) are in the second greatest demand as locum tenens, followed by behavioral health providers and emergency medicine physicians.**

- **76% of healthcare facility managers said they use at least one locum tenens physician in a typical month, up from 73% in 2014, while 24% said they use four or more, up from 18% in 2014.**

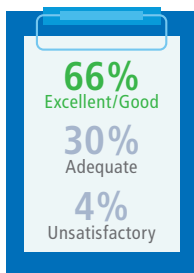


26%

Of healthcare facility managers used locum tenens NPs or PAs

- **Demand continues to accelerate for locum tenens NPs and PAs.** 26% of healthcare facility managers said they used locum tenens NPs or PAs sometime in the last 12 months, up from 25% in 2014, 19.5% in 2013 and 9.5% in 2012.

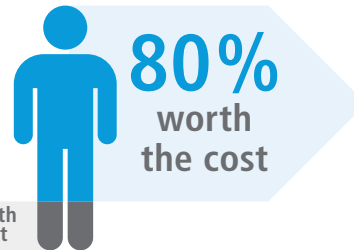
- **Healthcare facility managers primarily use locum tenens physicians to fill in until permanent doctors are found or to address staff turnover.** 75% said they use locum tenens while seeking to add permanent doctors, up from 68% in 2014. 74% said they use locum tenens to fill in for providers who have left, up from 67% in 2014, underscoring ongoing turnover challenges at many healthcare facilities.



Health facility managers rate the skill level of locum tenens physicians

- **66% of health facility managers rate the skill level of locum tenens physicians as excellent or good, down from 71% in 2014.** 30% rate the skill level of locum tenens as adequate, up from 27% in 2014, while 3.5% rate the skill level of locum tenens as unsatisfactory, up from 2% in 2014.

- **47% of healthcare facility managers have adopted telemedicine, down from 49% in 2014 but up from 43% in 2013.**
- **Healthcare facility managers rated continuity of patient care as the main benefit provided by locum tenens physicians,** while they rated cost as the primary drawback.



Healthcare facility managers rate whether locum tenens physicians are worth the cost

- **80% of healthcare facility managers rated locum tenens physicians as worth the cost, down from 81% last year,** while 20% said they are not worth the cost, up from 19% in 2014.

The following are complete responses to Part I of the survey.

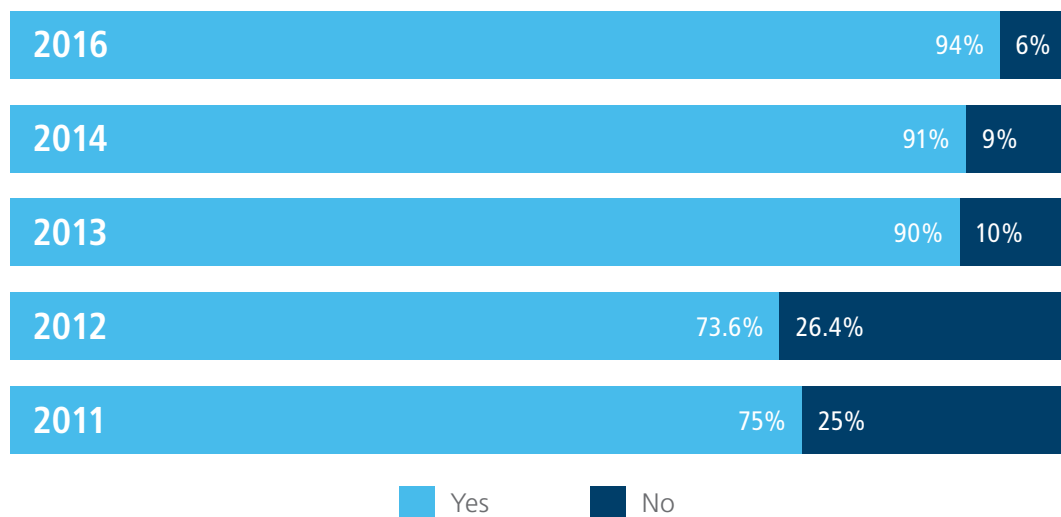
Part 1: Questions Asked and Responses Received

1 Do you work for a:

	2016	2014*
Hospital	33.7%	36.1%
Medical Group	22.9%	16.7%
Other	21.5%	32.2%
Federally Qualified Health Center	14.1%	11.8%
Urgent Care Center	3.4%	2.4%
Indian Health Facility	3.4%	0.4%
Veterans Affairs or other federal facility	1.0%	0.4%

*This question asked for the first time in 2014

2 Have you used temporary (locum tenens) physicians to supplement your existing staff any time during the last 12 months?



3 If yes, what specialties?

	2016	2014	2013	2012
Primary care (family medicine, internal medicine, pediatrics)	43.5%	34.8%	28.2%	35.2%
Hospitalist	25.3%	21.9%	24.1%	18.6%
Behavioral health	23.1%	29.9%	24.1%	31.0%
Emergency medicine	17.2%	12.9%	14.7%	9.7%
Nurse Practitioner	15.6%	17.4%	12.4%	4.8%
Urgent Care	14.5%	7.6%	5.3%	NA
Surgery	10.8%	14.7%	14.1%	12.4%
Anesthesiology	10.8%	9.8%	8.2%	8.3%
Physician Assistant	10.8%	7.6%	7.1%	4.7%
Certified Registered Nurse Anesthetist	9.7%	6.3%	6.5%	2.8%
Internal medicine sub-specialties	9.1%	8.0%	11.8%	7.6%
Radiology	7.0%	4.5%	9.4%	4.8%
Neurology	5.4%	4.9%	8.8%	NA
Dental*	4.8%	9.8%	NA	NA
Oncology	3.8%	2.7%	5.3%	11.0%
Telemedicine*	1.6%	4.5%	NA	NA

*Question asked for the first time in 2014

4 Are you currently looking for locum tenens physicians to supplement your existing staff?

	2016	2014	2013	2012	2011
Yes	47%	42%	39%	32%	41%
No	53%	58%	61%	68%	59%

5 If yes, what specialties?

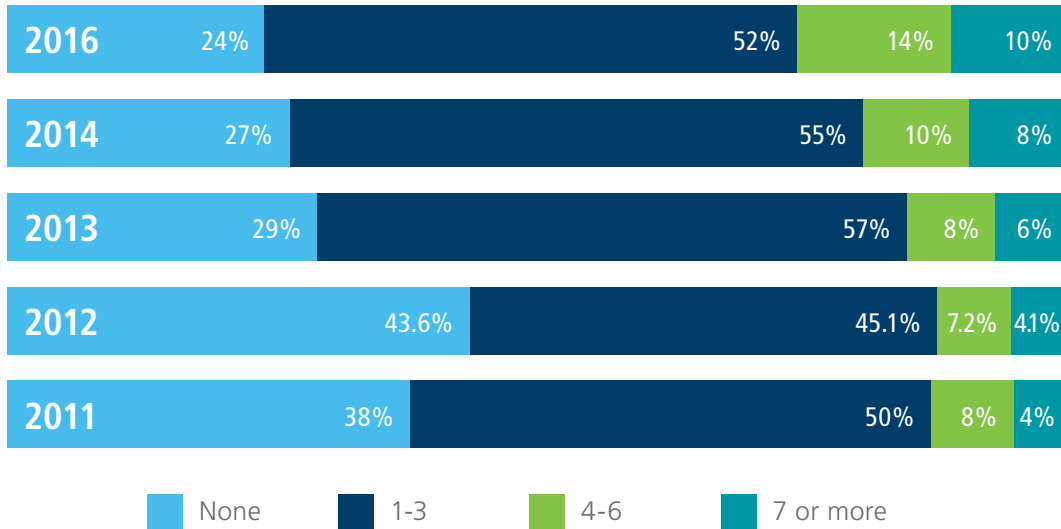
	2016	2014	2013	2012
Primary care (FP, IM, PED)	36.7%	42.3%	21.2%	35.9%
Behavioral health	23.3%	33.0%	34.6%	39.1%
Hospitalist	22.2%	18.6%	19.2%	17.2%
Emergency Medicine	21.1%	8.2%	21.2%	7.8%
Nurse Practitioner	12.2%	22.7%	15.4%	7.8%
Urgent Care	11.1%	7.2%	3.9%	NA
Anesthesiology	10.0%	6.2%	3.9%	3.1%
Surgery	7.8%	8.2%	7.7%	7.8%
Physician Assistant	5.6%	8.2%	5.8%	1.6%
Internal medicine subspecialties	5.6%	7.2%	9.6%	6.3%
Dental*	5.6%	6.2%	NA	NA
Radiology	5.6%	2.1%	0.0%	3.1%
Certified Registered Nurse Anesthetist	4.4%	5.2%	0.0%	1.6%
Oncology	2.2%	1.0%	3.9%	9.4%
Telemedicine*	1.1%	1.0%	NA	NA

*Question asked for the first time in 2014

6 How difficult is it to find locum tenens coverage today compared to 12 months ago?

	2016	2014	2013	2012	2011
More difficult	30%	22%	18%	14%	13%
Less difficult	12%	26%	22%	16%	26%
The same	58%	52%	60%	70%	61%

7 In a typical month, how many locum tenens physicians and/or NPs/PAs do you use?



8 In a typical month, about how many days of locum tenens coverage do you use?

	2016	2014	2013	2012
None	21.2%	22.7%	24.1%	42.7%
1 to 5	16.7%	22.7%	21.5%	19.8%
6 to 10	8.6%	10.1%	9.5%	6.8%
11 to 15	9.6%	9.2%	10.1%	5.7%
16 to 20	11.6%	8.0%	10.1%	7.8%
21 to 25	10.6%	6.3%	7.0%	1.0%
26 to 30	9.1%	9.7%	10.1%	8.9%
31 or more	12.6%	11.3%	7.6%	7.3%

9 Why do you or would you typically use a locum tenens physician? (check all that apply)

	2016	2014	2013	2012	2011
Fill in until a permanent doctor is found	74.6%	68.1%	54.9%	57.2%	57%
Fill in for staff who have left	73.6%	67.2%	54.9%	58.2%	42%
Vacation/continuing medical education	38.6%	48.7%	46.4%	36.1%	46%
Meet rising patient demand	13.7%	12.9%	7.2%	10.1%	8%
Fill in during peak usage times	10.7%	11.6%	11.1%	13.0%	9%
Maintain flexibility to upsize or downsize staff as needed	5.1%	9.1%	9.8%	7.2%	NA
Maintain services while transitioning to physician employment	3.6%	3.9%	3.3%	5.3%	NA
Telemedicine	3.0%	3.9%	NA	NA	NA
Maintain services during EMR training	2.0%	3.0%	0.0%	3.8%	NA
Reduce readmissions/medical errors	1.0%	1.3%	2.0%	0.5%	NA
Ensure quality-based reimbursement	0.5%	1.7%	0.0%	0.5%	NA
Test market a new service	0.0%	1.7%	0.7%	1.4%	0%

10 What is your perception of the general skill level of locum tenens physicians?

	2016	2014	2013	2012	2011
Excellent	11.6%	13.9%	18.2%	15.6%	18.0%
Good	54.5%	57.0%	53.3%	49.5%	39.0%
Adequate	30.3%	27.0%	25.9%	33.9%	42.0%
Unsatisfactory	3.5%	2.1%	2.6%	1.1%	1.0%

11 What are the benefits/drawbacks of using locum tenens physicians?

BENEFITS	2016	2014	2013	2012	2011
Allows continual treatment of patients	69%	70%	69%	64%	73%
Immediate availability	39%	48%	39%	31%	24%
Prevent revenue loss	37%	41%	35%	38%	43%
Prevents existing staff burnout	36%	33%	28%	31%	25%
Other	4%	6%	1%	4%	2%
Reduce medical errors/readmission	4%	4%	3%	3%	NA
Ensures quality based reimbursement	3%	4%	2%	2%	NA
Cost	2%	3%	3%	4%	1%

DRAWBACKS	2016	2014	2013	2012	2011
Cost	94%	85%	86%	75%	86%
Unfamiliarity with department/practice	52%	49%	46%	51%	60%
Learning equipment/procedures	43%	32%	34%	28%	35%
Managing multiple locum tenens staffing providers	35%	22%	24%	15%	NA
Credentialing issues	50%	20%	37%	36%	NA
Unable to bill for locum tenens services	20%	17%	13%	15%	NA

12 At your facility, how are locum tenens providers viewed by:

2016	COLLEAGUES	ADMINISTRATION	PATIENTS
Accepted	65%	66%	66%
Not accepted	1%	1%	1%
Tolerated	25%	23%	23%
Unsure	9%	10%	10%

13 Please rate locum tenens physicians compared to your permanent medical staff in the following areas:

Patients treated per day	2016	2014	2013	2012	2011
More	2%	4%	1%	2%	6%
Fewer	48%	45%	44%	39%	55%
Same	50%	51%	55%	59%	39%

14 Please rate locum tenens physicians compared to your permanent medical staff in the following areas:

Gross charges generated per day	2016	2014	2013	2012	2011
More	5%	5%	1%	3%	6%
Fewer	50%	47%	51%	42%	57%
Same	45%	48%	48%	54%	37%

15 When conducting your search for locum tenens physicians, with how many search firms/staffing agencies do you generally work?

	2016	2014	2013	2012	2011
None	0.5%	3.4%	4.6%	8.2%	12.0%
One	15.3%	21.4%	21.1%	22.3%	18.0%
Two to three	53.6%	54.2%	57.9%	47.8%	54.0%
Four or more	30.6%	21.0%	16.4%	21.7%	16.0%

16 What are the most important factors in selecting a temporary staffing firm? (check all that apply)

	2016	2014	2013	2012	2011
Quality of physicians provided	84%	82%	82%	78%	87%
Availability of candidates	75%	67%	64%	66%	71%
Cost	67%	65%	61%	47%	74%
Customer service	52%	47%	44%	45%	61%
Contract Flexibility	34%	34%	34%	36%	35%
Manages the locum tenens process	20%	22%	21%	27%	NA
Malpractice Insurance	16%	19%	14%	22%	26%
Provides a locum tenens billing service	6%	7%	4%	6%	NA
Other	4%	6%	4%	1%	9%

17 Rate the importance of the following factors when selecting a locum tenens candidate.

2016	Very Important	Somewhat Important	Unimportant
Availability	93.4%	6.6%	0.0%
Training	67.5%	31.5%	1.0%
Cost	71.7%	27.8%	0.5%
Experience*	77.7%	21.3%	1.0%

*Question asked for the first time in 2013

18 What is your facility's position regarding companies that provide management of multiple locum tenens staffing services?

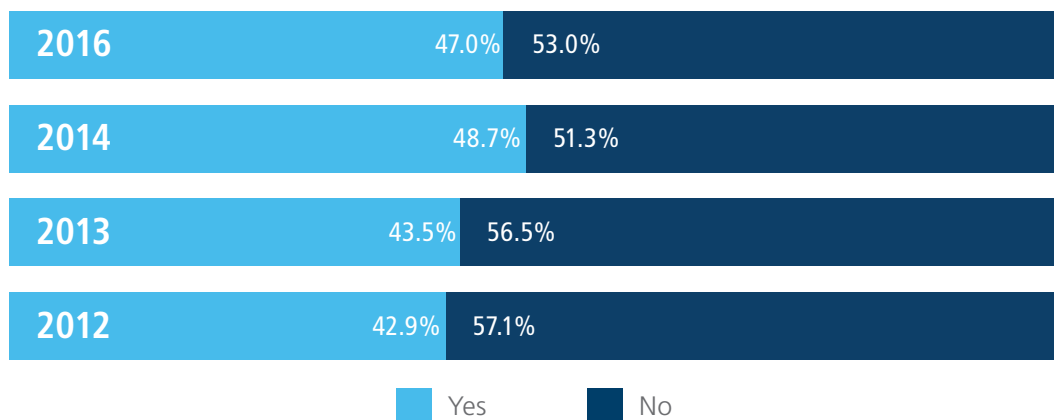
	2016	2014	2013	2012
I am unfamiliar with this concept	53.8%	54.5%	51.6%	56.7%
We do not use a managed service provider	27.2%	15.3%	34.6%	32.6%
We use a managed service provider	14.4%	3.4%	11.8%	8.0%
We are considering using a managed service provider	4.6%	26.8%	2.0%	2.7%

19 How would you rate the value of locum tenens physicians to your facility?



■ Worth the cost
 ■ Not worth the cost

20 Has your facility integrated telemedicine into any of its departments?



21 If yes, which ones?

	2016	2014	2013	2012
Behavioral health	36.8%	38.9%	30.2%	38.0%
Other	25.3%	17.7%	33.3%	NA
Radiology	16.1%	15.9%	30.2%	41.8%
Primary care	12.6%	13.3%	6.4%	24.1%
Neurology*	9.2%	14.2%	NA	NA

*Question asked for the first time in 2014

22 How do you see your facility managing through the changes coming with the Affordable Care Act? (check all that apply)*

	2016	2014	2013
Keep same staff	42.9%	44.7%	45.0%
Add more permanent staff	38.3%	33.3%	31.1%
Utilize advanced practice professionals	11.7%	15.6%	16.6%
Utilize locums or float pool for surges of patients	7.1%	10.1%	7.3%

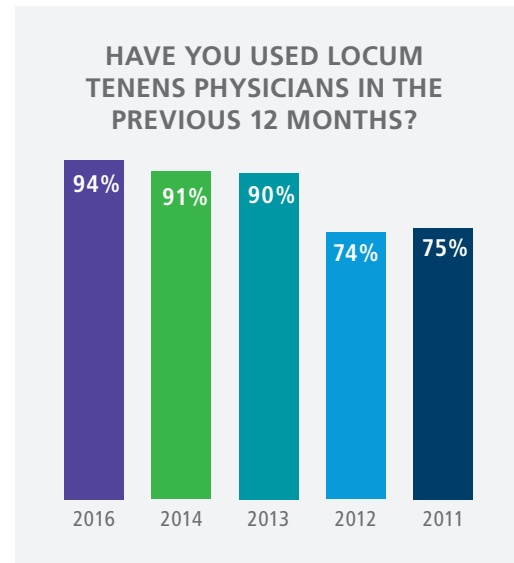
*Question asked for the first time in 2013

Trends and Observations

Part I of Staff Care's 2017 Survey of Temporary Physician Staffing Trends provides insight into how often healthcare organizations use temporary (locum tenens) physicians, why they use these physicians, the benefits locum tenens physicians provide, how they compare to permanent physicians and the perceived skill levels of locum tenens physicians. Selected trends and observations from the survey follow:

USE OF LOCUM TENENS GROWING

Staff Care's 2017 survey indicates that the use of locum tenens physicians at hospitals, medical groups, and other facilities continues to grow. When asked if they had used locum tenens physicians any time during the last 12 months, 94% of healthcare managers said yes, up from 91% the previous year. In the last three surveys Staff Care has conducted, 90% or more of healthcare facility managers indicated they had used locum tenens physicians sometime in the previous 12 months. In surveys based on 2012 and 2011 data, by contrast, fewer than 80% of respondents indicated their facilities had used locum tenens physicians in the previous 12 months (see following chart).

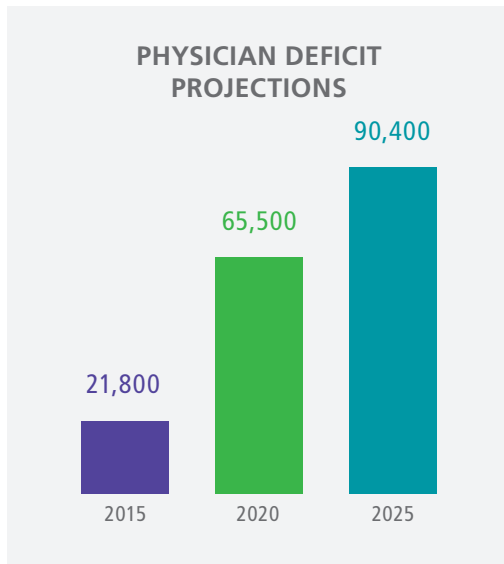


The increased use of locum tenens physicians is being driven both by the continuing physician shortage and by the employed physician model, which for many healthcare facilities increases physician turnover. These two trends are explored in more detail below.

A LOOMING PHYSICIAN SHORTAGE

The question of physician supply in the United States continues to be debated by policy experts and academics, but the consensus appears clear: a physician shortage exists today and is likely to become more severe and pervasive in the future.

The following chart illustrates physician deficits as projected by the Association of American Medical Colleges (AAMC).



Source: Associates of American Medical Colleges

The AAMC’s projections are based on a growing and more elderly population and on the wider availability of health insurance that has occurred as a result of the ACA, all factors increasing demand for doctors. The supply of physicians, however, has remained relatively flat over the last 20 years, due mainly to the cap Congress set in 1997 on federal funding through Medicare of physician graduate medical education (GME). Other signs pointing to a physician shortage include:

- The American Academy of Family Physicians (AAFP) projects a shortage of 149,000 physicians by 2020, while the Health Resources and Services Administration (HRSA) projects a shortage of 65,000 primary care physicians by 2020.
- More than 20 medical societies have released reports projecting shortages in their specialty areas.

- More than 30 state medical societies or hospital associations have issued reports projecting physician shortages in their geographic areas.
- HRSA currently designates over 6,000 Health Professional Shortage Areas (HPSAs) for primary care nationwide and some 3,300 HPSAs for behavioral health in which a combined 80 million Americans live.
- Between 1987 and 2007, the population of the U.S. grew 24%, while the number of physicians trained in the U.S. grew by only 8% (*American Medical News*, March 29, 2010).

Like the general population, the physician population is aging. Approximately 42% of physicians today are 55 years old or older. A coming wave of physician retirements is another key reason for projections of a physician shortage.

A CONSEQUENCE OF PHYSICIAN EMPLOYMENT: TURNOVER

In the traditional form of medical practice in the United States, doctors were independent of larger organizations and essentially owned small businesses, working in solo settings or in small groups. In recent years, that paradigm has shifted dramatically.

According to Merritt Hawkins (which, like Staff Care, is a company of AMN Healthcare), today about 90% of newly hired physicians are employed by either a hospital, a medical group, a FQHC, an urgent care center or a variety of other employers (see Merritt Hawkins’

2016 Review of Physician and Advanced Practitioner Recruiting Incentives).

Estimates vary, but it is likely that only about one-third of all physicians today remain in private practice (see Part II of this report below).

As more physicians become employed, turnover becomes a more important factor in physician staffing. Private practice doctors who own their own buildings, who have equity in their equipment and who hire their own employees have a strong financial and emotional stake in their practices. These physicians are less likely to pull up stakes than are doctors who receive a paycheck and can more easily exchange one employer for another.

In the past, hospitals, medical groups and other facilities rarely had to worry about physician turnover. Now they do. The chart below shows current annual physician relocation rates by selected specialties:

Annual Physician Relocation Rates	
Oncology	17.85%
Cardiology	10.92%
Family Practice	13.47%
General Surgery	11.17%
Internal Medicine	11.98%
Neurology	14.24%
OB/GYN	10.66%
Psychiatry	14.57%

Source: SK&A. *Physicians on the Move*. 2015.

Gaps in the medical staff, caused either by the shortage of physicians or by physician turnover, accelerate the need for temporary, locum tenens physicians to provide access to care and maintain revenue, a fact underscored by Staff Care's 2017 survey.

WHY USE LOCUM TENENS PHYSICIANS?

The number one reason healthcare facility managers cited for using locum tenens doctors in the 2017 survey was to fill in until a permanent doctor is found. In instances where healthcare facilities do not have enough doctors (a widespread problem due to the physician shortage) and are seeking more, they often use locum tenens physicians to maintain services and revenue.

The second most frequently cited reason for using locum tenens physicians was to fill in for staff who have left. Though "physicians who have left" may include those who retired or passed away, in general it refers to those who have left for another opportunity (i.e. turnover).

Third on the list of reasons for using locum tenens was to fill in for doctors on vacation or pursuing medical education. This reason also is tied to the trend toward physician employment. In the past, when more doctors were in independent practice, they were less likely or able to take regular vacations. Vacations, however, now are a part of virtually all physician employment contracts and today many employers use locum tenens



doctors to fill in for the growing number of physicians who take regular time off.

In addition to these reasons, the survey indicates that some healthcare facility managers use locum tenens physicians to meet rising patient demand caused by factors referenced above, including population growth, increased access to insurance, etc. Others use locum tenens to fill in during peak usage periods, such as flu season or vacation season for those facilities located in vacation destinations. A few facility managers (5.1%) indicated they use locum tenens physicians to maintain staff flexibility, upsizing or downsizing as needed.

WHO IS IN DEMAND?

Of those respondents who used locum tenens physicians in the last 12 months, 43.5% indicated they had used primary care physicians, defined in this survey as family physicians, general internists, and pediatricians. This is up from 34.8% in 2014 and up from 28.3% in 2013. More healthcare facility managers said they had used primary care locum tenens physicians in the last 12 months than any other type of doctor.

Second on the list were physicians specializing in hospital inpatient care. Known as hospitalists, these physicians allow for the more efficient treatment of hospitalized patients and relieve office-based physicians of inpatient work. Over 25% of healthcare facility managers indicated they had used locum tenens hospitalists sometime in the last 12 months.

Behavioral health providers (psychiatrists and others) were third on the list. Over 23% of healthcare facility managers indicated they used locum tenens behavioral health professionals in the last 12 months.

About 33% of all physicians in the U.S. are in primary care (see Part II below), so it is not particularly surprising that they are more utilized as locum tenens than any other type of doctor. However, only about 3.5% of all physicians are psychiatrists. The fact that behavioral health professionals are the third most utilized type of locum tenens provider underlines the acute shortage of providers in this field. This trend is likely to be exacerbated by the fact that psychiatrists are older, on average, than almost any other type of physician (see chart below):

Psychiatrists by Age			
40 or younger	41-50	51-60	61 or older
10%	20%	31%	39%

Source: AMA Physician Master File.

Many behavioral healthcare facilities today are unable to find permanent staff and have come to rely on locum tenens providers to maintain services.

PAs AND NPs IN DEMAND AS LOCUMS

Prior to 2012, Staff Care received minimal requests for locum tenens NPs and PAs. In most cases, healthcare facilities were able to recruit the permanent NPs and PAs they needed and did not require temporary providers to fill gaps in their staffs. In 2012, only 12.4% of healthcare facility managers surveyed said they had used locum tenens NPs and PAs in the previous 12 months.

By contrast, in the 2017 survey, over 26% of healthcare facility managers said they had used locum tenens NPs and PAs in the previous 12 months. This is a clear sign that the supply of these advanced practitioners is becoming strained and that shortages are emerging.

HOSPITALISTS, SURGEONS, EMERGENCY MEDICINE, AND OTHERS

Provider shortages are not limited to primary care, inpatient medicine, behavioral health and advanced practice. Over 17% of healthcare facility managers surveyed indicated they had used locum tenens emergency medicine physicians in the previous 12 months, while 10.8% used locum tenens physicians providing urgent care, and an equal number used locum tenens general surgeons. Internal medicine subspecialists, radiologists, neurologists, and other types of physicians can be in short supply and healthcare facilities may require locum tenens providers to fill gaps in these areas until permanent physicians can be found.

“TEMPORARY PHYSICIAN DAYS”

The use of locum tenens physicians is measured in “temporary physician days.” A small medical group might use one locum tenens physician for one day during a month to cover for a doctor out on continuing medical education (CME), while a hospital might use three locum tenens physicians over a period of three months for a total of 180 days to cover for a physician on disability and to maintain services while seeking to fill two permanent positions. Over 78% of respondents to the 2017 survey indicated that in a typical month they schedule at least one to five days of locum tenens coverage, while the remaining 22% said that in a typical month they do not schedule any days of locum tenens coverage.



Over 62% of facility managers said they schedule six or more days of locum tenens coverage in a typical month, up from 55% in 2014, while 12.6% said they schedule 31 or more days of locum tenens coverage in a typical month, up from 11.3% in 2014. The latter group may be facilities in traditionally underserved rural or inner city areas that have difficulty finding doctors, or larger facilities that experience high turnover or have multiple gaps in their staffs due to vacations, CME, illness and related reasons.

BENEFITS AND DRAWBACKS OF USING LOCUM TENENS

The main benefit of using locum tenens physicians, cited by 69% percent of those surveyed, is to maintain continuity of patient care. When full-time physicians are absent for any reason, patients may not be able to access the care they need, or they may migrate to other sites of service. Locum tenens physicians allow healthcare facilities to maintain the continuity of care that is important to both quality outcomes and to patient satisfaction and loyalty.

By seeing patients who might otherwise have gone elsewhere, locum tenens physicians also allow medical facilities to maintain revenue streams. The opportunity cost of not having a physician in place can be considerable. According to a study by Merritt Hawkins, physicians on average generate \$1.5 million a year on behalf of their affiliated hospitals. The chart below indicates how this breaks out on a pro-rated monthly basis for several medical specialties:

Revenue Generated by Physicians for Hospitals Pro Rated Over One Month	
Family Practice	\$124,460
Internal Medicine	\$152,517
General Surgery	\$180,806
Psychiatry	\$100,882

Source: Merritt Hawkins 2016 Survey of Physician Inpatient/Outpatient Revenue

Thirty-seven percent of those surveyed said that preventing revenue loss was a benefit of using locum tenens physicians, while 39% identified the immediate availability of locum tenens physicians as a benefit. Using locum tenens physicians also can be part of a physician retention strategy, helping to prevent the burn-out of existing staff, particularly during peak usage periods. Thirty-six percent of administrators surveyed identified preventing staff burn-out as one of the benefits of using locum tenens physicians.

RATING THE SKILLS OF LOCUM TENENS PHYSICIANS

Healthcare facility managers were asked to rate the general skill level of locum tenens physicians. The majority (66%) rated locum tenens physicians' skills as either good or excellent, down from 71% in 2014 and 71.5% in 2013. Over 30% of healthcare facility managers rated the skill level of locum tenens physicians as adequate, up from 27% in 2014, while only 3.5% rated the skill level of locum tenens physicians as unsatisfactory, up from 2.1% in 2014. The increased use of locum tenens physicians indicated by the 2017 survey suggests that quality control may become more challenging, as more temporary physicians must be screened and credentialed. It therefore will be important that healthcare facilities using locum tenens confirm the efficacy of the quality control measures locum tenens staffing companies have in place and whether they are accredited by the Joint Commission and NCQA certified.

Physicians practicing locum tenens today are rigorously screened because staffing firms are at risk for their malpractice insurance and because they compete with each other based on the quality of physicians they are able to provide. As a result, the quality of locum tenens physicians is generally considered to be high or at least satisfactory, as is reflected in survey responses.

Healthcare facility managers also were asked to indicate how locum tenens physicians are viewed by various parties, including permanent physicians on their staffs, administrators, and patients. The majority (65%) said that locum tenens physicians are accepted by permanent staff physicians, 66% said they are accepted by administrators, and 64% said they are accepted by patients. If not accepted by peers, administrators, and patients, locum tenens physicians are at worst “tolerated” by these groups. No more than two percent of survey respondents indicated that locum tenens physicians are not accepted by fellow physicians, administrators or patients.

TELEMEDICINE AND LOCUM TENENS

Healthcare facility administrators were asked in the 2017 survey if they have integrated telemedicine into any of their departments – a question first posed in 2012. As a response to physician shortages or because they may not be able to support full-time physicians in certain specialties, some facilities are using telemedicine to extend the types of

services they provide. Forty-seven percent of respondents indicated their facilities have integrated telemedicine into their departments, down from 48.7% in 2014 but up from 43.5% in 2013.

Healthcare facilities are using locum tenens telemedicine primarily for behavioral health. 36.8% of those who said they are using locum tenens telemedicine are doing so to provide behavioral health services. Sixteen percent are using locum tenens telemedicine for radiology, and 12.6% for primary care. Over 9% of those who are using locum tenens telemedicine are doing so to provide neurology services, down from 14.2% in 2016.



WHAT IS AN MSP?

The locum tenens staffing process at some healthcare facilities is becoming increasingly complex. Coordinating the schedules of multiple locum tenens providers staffed by multiple temporary staffing firms can create logistical and billing challenges. This is particularly true for large, integrated healthcare systems. In response, healthcare facilities may elect to outsource the entire locum tenens

function to a Managed Services Provider (MSP) which will oversee all locum tenens staffing issues, including scheduling, recruiting, logistics, and billing.

Healthcare facility administrators were asked about their position on companies that provide management of multiple locum tenens staffing services. Over 14% said they now use the services of an MSP to manage their locum tenens needs, up from 3.4% in 2014 and up from 11.8% in 2013, signaling a greater awareness of the MSP model in locum tenens. However, the majority (53.8%) still are not familiar with this relatively new service concept.

ARE LOCUM TENENS WORTH THE COST?

Healthcare facilities pay a daily rate for the services of locum tenens physicians, a rate that can range from several hundred dollars to over \$2,000, depending on the specialty. Balanced against this are the various benefits locum tenens doctors provide, including the ability to maintain both medical services and revenue. On balance, the majority of healthcare facility managers surveyed (79.8%) indicated that locum tenens physicians are worth the cost, down slightly from 81.1% in 2014 and virtually the same as 2013.

RESPONDING TO THE ACA

When asked how they would respond to the continuing changes in healthcare delivery being driven by the Affordable Care Act, 42.9% of those surveyed said their facilities would keep the same staff they have now. However, 38.3% said they would add more permanent staff, while 11.7% said they would utilize NPs and PAs to help handle demand and 7.1% said they would use locum tenens or float pools of providers to deal with an anticipated surge in patients.



PART 2

Survey of Physicians and Advanced Practitioners Working on a Locum Tenens Basis

Number of Providers Surveyed = 897

OVERVIEW

Like the health system in general, medical practice patterns are changing. The traditional practice model, in which doctors own their own solo practice or are partners in an independent group, is evolving as physicians embrace a variety of practice styles. These can include the traditional, private practice model, but may extend to employment by a hospital, a Federally Qualified Health Center (FQHC), an urgent care center, a retail clinic, an insurance company, a corporation or a number of other employers.

In addition, a growing number of physicians today are electing to work part-time, are transitioning out of clinical roles and into management positions or are taking other steps to modify their practice styles.

The following chart shows results to a question posed by a national survey conducted by Merritt Hawkins in 2016 for The Physicians Foundation (www.physiciansfoundation.org).

In the next one to three years, do you plan to (check all that apply):

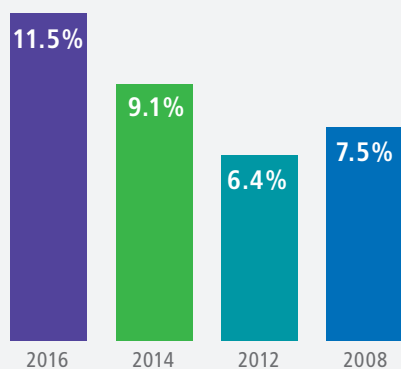
	2016	2014
Continue as I am	52.2%	56.4%
Cut back on hours	21.4%	18.2%
Retire	14.4%	9.4%
Switch to a cash/concierge practice	8.8%	6.2%
Work locum tenens	11.5%	9.1%
Cut back on patients seen	7.5%	7.8%
Seek a non-clinical job within healthcare	13.5%	10.4%
Seek employment with a hospital	6.3%	7.3%
Work part-time	9.8%	6.4%

Source: A Survey of America's Physicians: Practice Plans and Perspectives. The Physicians Foundation/Merritt Hawkins. September, 2016.

As the survey indicates, the majority of physicians (52.2%) plan to continue practicing as they are. A significant minority, however, (47.8%) plan to make one or more changes to their practices.

Locum tenens is one of the various practice alternatives physicians plan to pursue. 11.5% of physicians indicated they plan to work locum tenens in the next one to three years, **up from 9.1% in 2014** (see chart on following page).

PHYSICIANS PLANNING TO WORK LOCUM TENENS IN THE NEXT ONE TO THREE YEARS



Source: *A Survey of America's Physicians*, The Physicians Foundation/Merritt Hawkins/ 2016, 2014, 2012, 2008

Physicians and others do not always do what they say they will on surveys. However, even if considerably fewer than 11.5% of the approximately 800,000 physicians now in patient care choose to work locum tenens in the next one to three years, the effect on the physician workforce would be significant (see chart below).

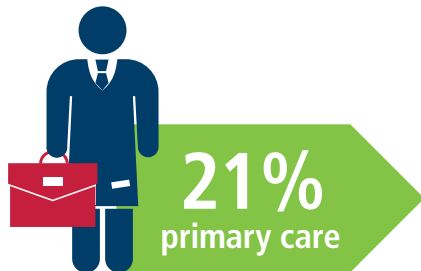
Impact of Physicians Working Locum Tenens	
% Working Locum Tenens	Total Physicians
11.5%	92,000
9.1%	72,800
4.5%	36,000
2.25%	18,000

Why are a growing number of physicians choosing to practice locum tenens? What are some of the characteristics of locum tenens physicians, and to what extent do these physicians feel they are accepted by colleagues and patients? What is their ideal assignment length, how far are they willing to travel, and how do they compare locum tenens practice to permanent practice?

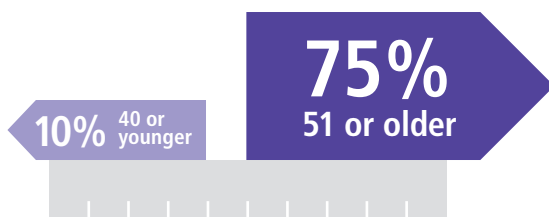
Part II of Staff Care's *2017 Survey of Temporary Physician Staffing Trends*, completed by physicians, physician assistants and nurse practitioners who work on a locum tenens basis, examines these and related questions.

For the purposes of this report, all respondents will be referred to as physicians, though it is understood this group includes some physician assistants and nurse practitioners.

KEY FINDINGS OF PART II INCLUDE

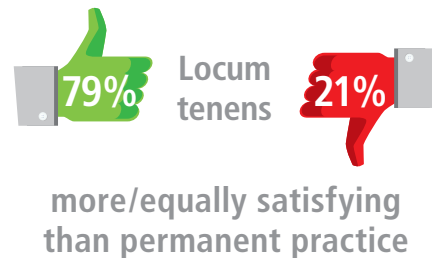


- Close to 21% of physicians working locum tenens are in primary care (family medicine, internal medicine, pediatrics), up from 16% in 2014, while the remaining 79% are in specialty care. Approximately 34% of all physicians are in primary care, while 64% are in specialty care, suggesting that specialist physicians are more likely to work as locum tenens than are primary care doctors.
- Over 16% of locum tenens providers are psychiatrists or other behavioral health specialists, up from 6% in 2014, highlighting the growing demand for providers in this area.



- 75% of locum tenens physicians are 51 or older, while 10% are 40 or younger, down from 14% in 2014 but up from 6% in 2013.

- 65% of locum tenens physicians have 21 years or more of medical practice experience, while 14% have ten years or less.
- The majority of locum tenens physicians (90%) have worked in a permanent practice, but a growing number (8%), indicate that they have only worked on a locum tenens basis.
- The survey indicates that locum tenens physicians may present one way to alleviate physician shortages at Veterans Administration facilities. Over 80% of locum tenens physicians in the 2017 survey said they would be willing to work for VA and other government facilities.



- Of those who have worked in a permanent practice, 79% say locum tenens is as satisfying as or more satisfying than permanent practice, while 21% say that permanent practice is more satisfying than locum tenens.
- Locum tenens physicians also may present a way to alleviate physician shortages in underserved areas through telemedicine. 63% of locum tenens physicians in the 2017 survey said they would be willing to work temporary telemedicine assignments.



of locum tenens physicians are seeking permanent positions

- **A significant number of locum tenens physicians are seeking permanent positions.** Over 22% of locum tenens physicians in the 2017 survey said they are looking for permanent positions, suggesting some physicians may use locum tenens as a means of finding a permanent position.
- **Locum tenens physicians are widely accepted by colleagues, administrators, and patients** when on temporary assignments. Fewer than 2% of locum tenens physicians surveyed said they were not accepted by these groups.



51%

of locum tenens physicians have joined LinkedIn

- **A growing number of locum tenens physicians have joined LinkedIn** – over 51% of physicians in the 2017 survey compared to 43% in 2013.

An analysis of these and other findings of Part II of the survey follows a breakdown of the following survey results. Responses from previous years the survey was conducted are included where applicable.

Part II: Questions Asked and Responses Received

1 What is your specialty?

	2016	2014	2013	2012
Primary Care (FP, IM, PED)	20.7%	16.2%	17.3%	19.7%
Behavioral Health	16.4%	5.6%	8.7%	17.2%
Other	11.0%	24.7%	24.0%	NA
Emergency Medicine	8.7%	7.7%	6.8%	4.2%
Anesthesiology	8.0%	10.5%	13.9%	16.7%
IM sub-specialties	6.0%	4.9%	4.5%	8.7%
Hospitalist	5.2%	4.0%	3.4%	2.7%
Nurse Practitioner	5.0%	7.8%	1.5%	6.0%
Oncology	4.2%	2.1%	1.7%	2.2%
Surgery	3.9%	4.2%	7.7%	10.0%
Radiology	3.8%	4.6%	7.8%	7.6%
Physician Assistant	2.6%	5.0%	0.4%	5.1%
Urgent Care	1.8%	1.1%	1.2%	NA
Neurology	1.4%	1.6%	1.3%	NA

2 What is your age?

	2016	2014	2013	2012
30 or younger	1.1%	1.7%	0.3%	0.8%
31 to 40	9.3%	12.3%	5.8%	6.1%
41 to 50	14.3%	19.7%	13.2%	15.6%
51 to 60	27.6%	30.7%	30.3%	32.4%
61 to 70	32.6%	25.1%	33.2%	28.0%
71 plus	15.1%	10.5%	17.3%	17.1%

3 How many years have you been in practice?

	2016	2014	2013	2012
Less than one year	0.7%	1.6%	0.9%	1.3%
1 to 5 years	5.0%	9.1%	4.2%	4.9%
6 to 10 years	8.4%	10.0%	5.1%	5.8%
11 to 20 years	21.3%	23.9%	19.2%	20.1%
21 or more years	64.6%	55.4%	70.7%	68.0%

4 How long have you worked locum tenens?

	2016	2014	2013	2012
Less than one year	29.8%	30.8%	27.4%	30.8%
1 to 5 years	40.3%	42.0%	36.8%	37.3%
6 to 10 years	16.3%	15.8%	20.5%	17.8%
11 or more years	13.6%	11.4%	15.2%	14.1%

5 How long do you intend to work locum tenens?

	2016	2014	2013	2012
Less than one year	11.1%	14.9%	16.0%	14.3%
1 to 5 years	53.9%	47.9%	46.1%	48.2%
6 to 10 years	21.7%	21.7%	23.8%	22.9%
11 or more years	13.3%	15.5%	14.0%	14.6%

6 At what stage of your career did you first work as a locum tenens?

	2016	2014	2013	2012
Right after residency	14.9%	21.0%	16.0%	14.3%
Mid-career	49.2%	54.7%	50.3%	49.3%
After retiring from permanent practice	35.9%	24.3%	33.6%	36.5%

7 About how many locum tenens assignments do you work during a year?

	2016	2014	2013	2012	2011
1-3	71%	70%	66%	71%	58%
4-6	18%	18%	20%	19%	22%
7 or more	11%	12%	14%	10%	20%

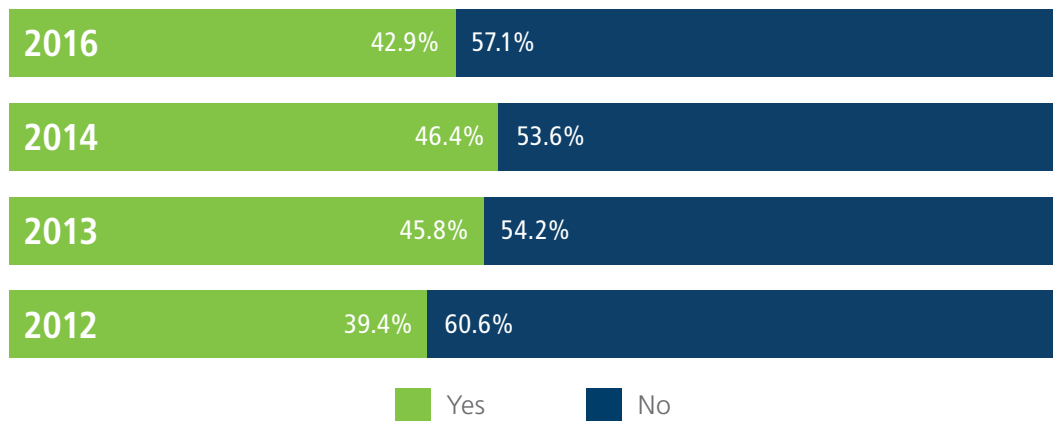
8 Have you ever worked in a permanent position?

	2016	2014	2013	2012	2011
Yes	92.0%	92.5%	93.1%	92.3%	94.0%
No	8.0%	7.5%	6.9%	7.7%	6.0%

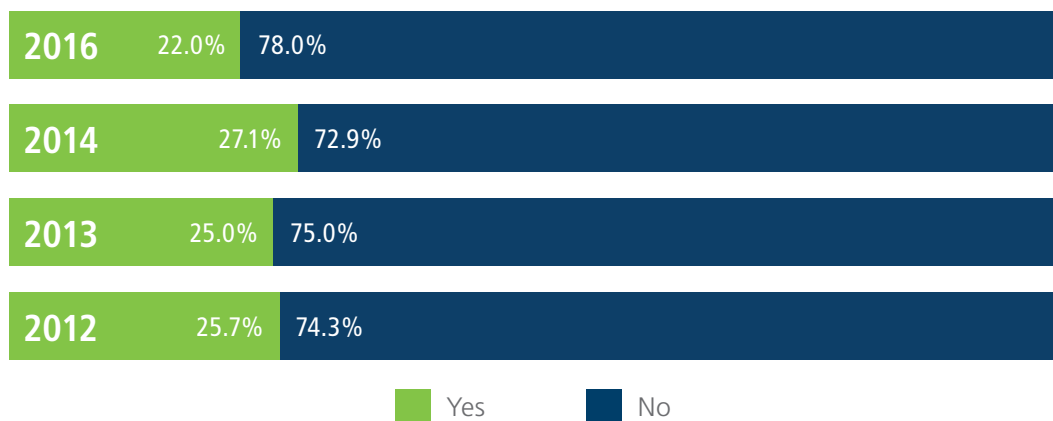
9 If yes, how would you rate working as a locum tenens versus working in a permanent position?

	2016	2014	2013	2012	2011
Locum tenens is MORE satisfying	16%	17%	17%	13.6%	15%
Locum tenens is LESS satisfying	21%	19%	23%	18.3%	19%
Both types are EQUALLY satisfying	63%	64%	60%	68.1%	66%

10 Are you currently in a permanent position?



11 Are you currently looking for a permanent position?



12 What are the benefits/drawbacks of working as a locum tenens? (Check all that apply)

BENEFITS	2016	2014	2013	2012	2011
Freedom/ flexibility	89%	85%	83%	81%	83%
Pay rate	50%	53%	44%	46%	36%
No politics	48%	51%	50%	47%	50%
Travel	46%	48%	47%	46%	41%
Professional development	24%	24%	23%	23%	22%
A way to find perm	16%	23%	20%	20%	17%

DRAWBACKS	2016	2014	2013	2012	2011
Away from home	65%	66%	68%	65%	67%
Uncertainty of assignment	55%	60%	59%	60%	57%
Lack of benefits	52%	55%	48%	56%	54%
Credentialing	50%	49%	52%	NA	NA
Quality of assignment	31%	30%	31%	30%	24%
Learning new equipment	30%	26%	25%	NA	NA
Pay rate	27%	24%	31%	23%	0%

13 With how many locum tenens agencies do you work?

	2016	2014	2013	2012	2011
None	13%	13%	14%	11.4%	3%
1	31%	29%	24%	28.5%	31%
2-3	45%	46%	47%	47.5%	47%
4 or more	11%	12%	15%	12.6%	19%

14 How do you select a firm? (Check all that apply)

	2016	2014	2013	2012	2011
Location of opportunities	66%	68%	67%	65%	64%
Good service	59%	60%	59%	56%	61%
Pay rate	50%	52%	49%	45%	44%
Ability to maintain a relationship	44%	43%	46%	NA	NA
Number of opportunities	37%	40%	39%	44%	48%
Reputation	35%	38%	36%	36%	41%
Malpractice insurance	31%	35%	35%	36%	24%

15 How do you select temporary opportunities? (Check all that apply)

	2016	2014	2013	2012	2011
Location	89%	88%	86%	86%	89%
Pay rate	67%	67%	64%	60%	61%
Length of assignment	60%	62%	65%	64%	71%
Patient load	38%	35%	36%	34%	29%
Available shifts	32%	38%	34%	28%	33%
Type/size of facility	30%	28%	33%	30%	25%
Quality of equipment	9%	10%	9%	10%	17%

16 When looking for a locums opportunity, what sources do you use? (Check all that apply)

	2016	2014	2013
Call my recruiter	34%	26%	34%
Search online (Google, Yahoo, Bing)	28%	29%	24%
Job boards	15%	18%	16%
Agency webpages	14%	17%	14%
Call around to agencies	7%	6%	10%
LinkedIn	2%	4%	1%
Facebook	0%	0%	0%
Twitter	0%	0%	0%

17 How did you come in contact with the locum tenens agencies that you work with now?

	2016	2014	2013
Agency found me	44%	43%	46%
Web Page	24%	27%	21%
Referral	17%	16%	16%
Call In	7%	7%	10%
Convention	5%	4%	5%
Social Media	4%	3%	2%

18 What value do you bring to a hiring facility? (Check all that apply)

	2016	2014	2013	2012	2011
Maintain patient care	88%	89%	89%	86%	95%
Generate revenue	65%	68%	66%	56%	64%
Provide support during high-volume periods	60%	63%	61%	56%	NA
Prevent staff burn-out	47%	51%	53%	48%	44%
Maintain services during transition to physician employed model	34%	37%	39%	40%	NA
Add a specific skill	34%	36%	39%	36%	44%
Reduce medical errors/readmissions	24%	25%	27%	21%	NA
Assist with EMR transition	12%	15%	15%	14%	NA

19 How far are you willing to travel?

	2016	2014	2013	2012
Nationwide	38.9%	41.2%	46.8%	47.2%
Specific region only	26.3%	27.8%	27.8%	26.6%
Home region only	19.7%	18.4%	15.3%	15.8%
Home state only	15.1%	12.6%	10.1%	10.4%

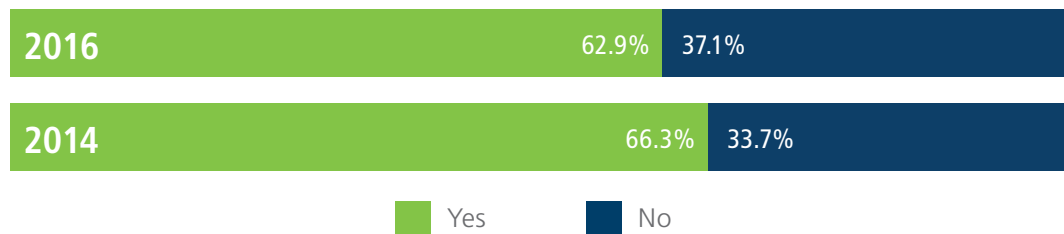
20 As a locum tenens provider, how well are you accepted by each of these groups:

2016	COLLEAGUES	ADMINISTRATION	PATIENTS
Accepted	90.5%	84.9%	95.5%
Tolerated	8.7%	13.2%	4.1%
Not Accepted	0.8%	1.9%	0.4%

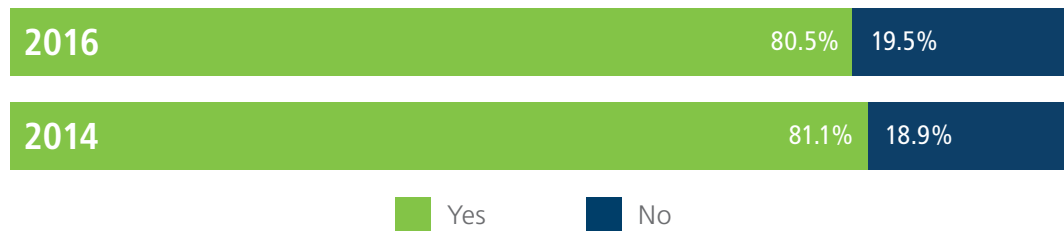
21 What is your ideal assignment length?

	2016	2014	2013	2012
Less than one month	34.4%	40.7%	44.7%	38.8%
1 to 4 months	39.1%	35.3%	32.9%	38.9%
5 to 8 months	10.0%	11.2%	8.8%	9.9%
9 to 12 months	16.5%	12.8%	13.5%	12.3%

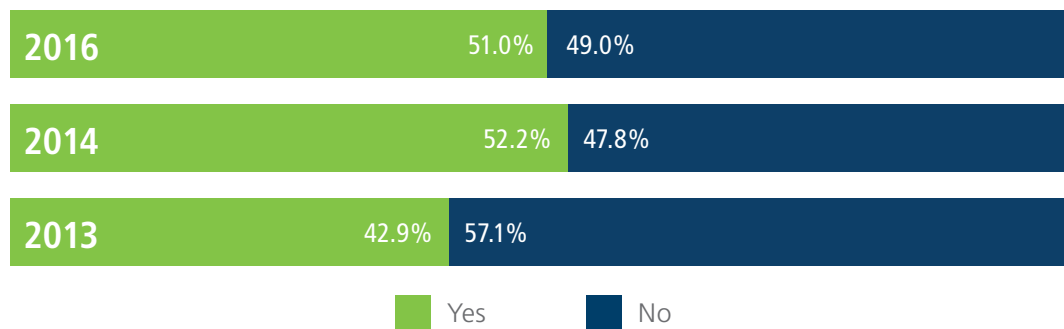
22 Would you be willing to work locum tenens assignments through telemedicine?



23 Would you be willing to work locum tenens assignments at federal government facilities such as the V.A.?



24 Do you have a LinkedIn profile?



25 How do you use LinkedIn?

	2016	2014	2013
Network with colleagues	40.1%	46.1%	37.1%
Other	25.3%	22.2%	36.5%
Network with family/friends	13.8%	13.5%	12.9%
Stay in touch with news specific to my industry	13.1%	10.0%	8.8%
Look for jobs	7.6%	8.2%	4.8%

26 Has working locum tenens affected you in any of the following ways? (Check all that apply)

	2016	2014	2013
Enhanced my understanding of different delivery systems	64.6%	66.4%	68.6%
Expanded my professional networking opportunities	52.6%	55.4%	52.0%
Created valuable new personal relationships	51.4%	52.3%	54.5%
Afforded positive travel experiences	48.8%	50.9%	53.8%
Enhanced my clinical skills	37.3%	40.8%	41.2%

27 What TWO qualities do you value MOST about your recruiter?

	2016
Responsiveness	69.1%
Role as a liaison with the facility	45.6%
Continual communication	38.2%
Positive attitude	22.5%
Industry knowledge	16.1%

Trends and Observations

Part II of *Staff Care's 2017 Survey of Temporary Physician Staffing Trends* offers insights into the characteristics of locum tenens physicians – the types of physicians who work locum tenens, what attracts them to locum tenens practice, their temporary assignment preferences, and how they are viewed by peers, administrators and patients.

LOCUM TENENS: MATURE AND YOUNG PHYSICIANS MAY APPLY

Traditionally, locum tenens has been the practice choice of mostly older physicians, many of whom work temporary assignments as a way to “semi-retire.”

This continues to be the case, though some younger physicians also are attracted to locum tenens work. About 75% of physicians responding to the 2017 survey are 51 years old or older, compared to 66.3% of physicians in 2014 and 80% in the 2013 survey. However, over 10% are 40 or younger, compared to 14% in 2014 and 6.1% in 2013, indicating some younger physicians also work temporary assignments.

About 15% of locum tenens physicians in the 2017 survey said they began working

locum tenens right after completing their residency training, indicating that some physicians are choosing to work locums as their first job option after residency. For some newly trained doctors, locum tenens presents a way to “test drive” different practice styles and geographic areas before settling on a permanent practice.

By working locum tenens, newly trained physicians can evaluate the growing number of practice settings that employ physicians, including acute care hospitals, large integrated healthcare systems, Federally Qualified Health Centers (FQHCs), government facilities such as the VA, urgent care centers, retail clinics and others. They also can experience the unique challenges and rewards of traditional independent, physician-owned private practices.

Locum tenens also offers newly trained physicians a flexible schedule, which can be particularly attractive to female physicians (who represent close to half of graduating medical residents) entering their child rearing years.



MID-CAREER AND SEMI-RETIRED PHYSICIANS

Physicians who are at the mid-point in their careers also are attracted to locum tenens. Close to half of survey respondents (49.2%) indicated they first worked locum tenens at mid-career. Some of these mid-career physicians have decided to opt out of permanent practice settings due to various “hassle factors,” including rising levels of bureaucracy in medicine, declining reimbursement, loss of clinical autonomy, malpractice costs, and related issues. By working locum tenens, they are able to preserve what most physicians enjoy about medicine (patient care) while avoiding many of the problematic aspects of today’s medical practice environment. Other mid-career physicians maintain their permanent positions by moonlighting as locum tenens to supplement their incomes or to enjoy the benefits of travel and diverse practice settings.



36% of physicians responding to the 2017 survey indicated they began to work as locum tenens after retiring from permanent practice, up from 24.3% in 2014 and from 33.6% in 2013. Locum tenens offers highly experienced physicians the opportunity to continue seeing patients and using their considerable knowledge without the pressures, responsibilities and set schedules of private practice or of employment. By keeping “retired” doctors active, locum tenens helps extend the physician workforce at a time when doctor shortages are prevalent.

A NEED FOR PRIMARY CARE – AND SPECIALTY CARE

The shortage of primary care physicians nationwide has been the subject of considerable media attention and it is almost universally conceded by healthcare policy analysts that there are too few doctors in the three key areas of primary care: family medicine, general internal medicine, and pediatrics.

In many cases, hospitals, medical groups and other healthcare facilities are using locum tenens physicians to fill in gaps in their primary care staffs (see Part I of this survey). However, it is not just primary care physicians who are working as locum tenens. Over 80% of locum tenens physicians responding to the 2017 survey indicated they are in a non-primary care specialty. The survey suggests that primary care physicians make up a smaller percent of the locum tenens physician workforce than they do the overall physician workforce (see following chart):

Primary Care and Specialist Physicians/U.S.	
Primary care	32.4%
Specialists	67.6%

Source: AMA Master File 2016

Locum tenens physicians fill temporary assignments in anesthesiology, emergency medicine, sub-specialties of internal medicine and surgery, behavioral health, urgent care and virtually every other specialty for which there is a permanent counterpart, underlining the fact that physician shortages are not limited to primary care.

It can be generally stated that whatever physicians in permanent positions do, locum tenens physicians do also.

DECLARING INDEPENDENCE

As referenced above, medical practice styles are changing with traditional solo and independent private practice models giving way to the employed physician model. Findings from the 2016 Survey of America's Physicians conducted by Merritt Hawkins on behalf of The Physicians Foundation (www.physiciansfoundation.org) underscore this trend. Over 17,236 physician respondents indicated how they are currently practicing (see following charts):

Physicians in Solo Practice	
2012	24.9%
2014	17.2%
2016	16.8%

Physicians in Private Practice	
2012	48.5%
2014	34.6%
2016	32.7%

Source: A Survey of America's Physicians. The Physicians Foundation/Merritt Hawkins. 2016

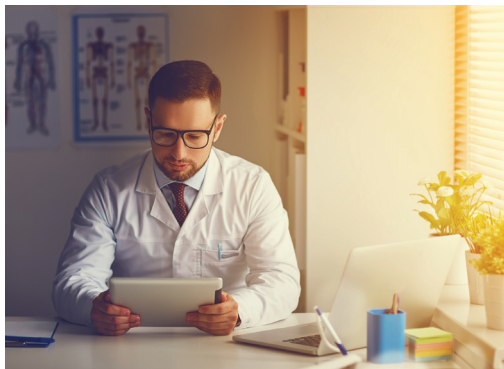
As solo and independent practice fades, many physicians feel that they are losing their autonomy. In the Physicians Foundation survey referenced above, physicians were asked to describe to what degree patient care in their practices is adversely impacted by external factors such as third party authorizations, treatment protocols and electronic health records (see below):

External Factors Adversely Affect Patient Care	
Not at all/a little	10.3%
Somewhat	17.6%
A good deal/a great deal	72.1%

Source: A Survey of America's Physicians. The Physicians Foundation/Merritt Hawkins. 2016.

As the survey indicates, over 72% of physicians said their external factors adversely affect patient care in their practices to a significant degree. In addition to compromising physicians' clinical autonomy, employment can impose restrictions on physician hours and the overall freedom they have in their practices to do things their way.

Locum tenens, by contrast, offers physicians a comparative level of clinical and personal control. When asked to identify the primary benefits of working locum tenens, physicians responding to Staff Care's annual survey consistently cite "freedom and flexibility" as the number one benefit. Eighty-nine percent of respondents to the 2017 survey did so, up from 85% in 2014 and 83% in 2013. "Pay rate" was a comparatively distant second at 50%, "no politics" was third at 48% and "travel" was fourth at 46%.



The fact that locum tenens physicians often travel across the state or the country to assignments is perhaps the most immediate difference between permanent and temporary practice. However, the difference between these two practice styles of most importance to physicians is the contrast in work environment and the

comparative flexibility locum tenens offers. Doctors are not embracing locum tenens as a form of tourism – they are embracing it as a respite from the current problematic medical practice environment.

PERM VS. LOCUMS

Locum tenens physicians are paid a daily rate by the staffing companies with which they work and do not have to bill myriad third party payers and then fight to ensure that bills are paid, so reimbursement is not an issue. Malpractice, a leading cause of physician dissatisfaction cited by physicians in the Physicians Foundation survey referenced above, is not an issue because malpractice insurance is provided to locum tenens physicians by the staffing agencies through which they work.

Locum tenens physicians also can spend time with patients as they see fit, as they typically are not tied to production formulas that require them to see many patients or hit stipulated work targets through relative value units (RVUs) or other metrics. As they are not employers, locum tenens physicians do not have to be as concerned about the many Medicare and employment-related regulations governing the workplace as do private practice doctors.

Locum tenens physicians choose when and where they want to practice and whether or not they wish to work overtime while on assignments. They can create and manage their own schedules, significantly reducing concerns about the long hours and lack of personal time endemic to traditional practice.

Ninety-two percent of physicians in the 2017 survey said they have worked both on a locum tenens basis and in permanent practice. These physicians were asked to compare the two practice styles. The majority (84%) said they find locum tenens to be as satisfying as or more satisfying than permanent practice, while 16% said they prefer permanent practice to locum tenens. Many doctors enjoy the relatively hassle-free practice style that locum tenens affords and find it comparable to or even more rewarding than permanent practice. Some doctors, however, may prefer the enduring patient relationships that were once typical of permanent practice and may find locum tenens to be less rewarding in this regard.

KEY DRAWBACK: BEING AWAY FROM HOME

Physicians also were asked about the drawbacks of working locum tenens.

“Being away from home” was the most frequently cited drawback of locum tenens practice, referenced by 65% of those surveyed, followed by “uncertainty of assignments,” cited by 55%. Uncertainty can be a factor for those physicians unable to schedule assignments as continuously as they would prefer. “Lack of benefits” was a drawback cited by 52% of those surveyed, reflecting the fact that locum tenens physicians are independent contractors and are not employed by temporary staffing agencies such as Staff Care. They may get certain benefits through their permanent employers as they “moonlight” on temporary assignments

or they may arrange for their own health insurance and other benefits.

In addition, 50% of physicians cited “credentialing” as a drawback. The process of getting credentialed at hospitals where temporary assignments take place can be time-consuming, though staffing companies can assist if they have a Credentialing Department in place to expedite the process.

LOCUMS “KEEPS DOCTORS IN THE GAME”

One reason for the growing physician shortage is the rate at which physicians are retiring. Forty-two percent of physicians are 55 years old or older, according to the AMA’s Physician Master File, and some doctors are choosing to speed up their retirement plans (see chart below):

Due to changes in healthcare, do you plan to accelerate your retirement?	
Yes	46.8%
No	53.2%

A Survey of America’s Physicians. The Physicians Foundation/Merritt Hawkins. 2016.

As referenced above, the option of working locum tenens keeps some physicians who might otherwise have retired in the workforce. Staff Care’s 2017 survey indicates locum tenens physicians can help address the physician shortage in other ways. Locum tenens physicians

were asked if they would be willing to work at Veterans Administration or other government facilities, many of which are experiencing long patient appointment wait times due to physician shortages. Over 80% said yes.

In addition, 62.9% of locum tenens physicians surveyed said they would be willing to work temporary assignments through telemedicine, a delivery model often used in rural and other traditionally underserved areas.

FINDING ASSIGNMENTS

Physicians were asked what sources they use to find locum tenens opportunities. The single most used method cited was “call my recruiter,” followed by “search online” and “job boards.” Most locum tenens physicians work through staffing agencies such as Staff Care and rely on these agencies to match them with temporary assignments, though some physicians work locums on their own.



Physicians also were asked how they came in contact with the staffing agency or agencies they are working with now. Forty-four percent said the agency found

them. Most large staffing agencies employ recruiters who actively seek out physicians for locum tenens assignments. In many cases, these physicians have not worked locum tenens before and may be unfamiliar with how the process works. Agency recruiters educate them on the process and help support them throughout. Another 24% of respondents said they found their current agencies by visiting web sites, while 17% heard about their agencies through referrals and 5% made contact at physician conventions.

CAREER ENRICHMENT

Locum tenens work allows physicians to experience a wide range of practice environments with varying standards of care. It offers a positive forum for acquiring professional skills and is something of a medical education for many doctors, a fact reflected in the survey.

When asked how working locum tenens has affected them, 64.6% of physicians said it enhanced their understanding of different delivery systems. Healthcare delivery in the United States has often been described as a patchwork quilt, as equipment, organizational structures, policies, procedures, and treatments vary from one region or even one hospital to another. Working locum tenens allows physicians to obtain a better understanding of how standards of care and organizational structures differ locally, regionally, and nationally.

Over 51% of respondents said that working locum tenens has allowed them to create valuable new personal

relationships. Though locum tenens assignments may be brief, they can offer the sort of intense, learn-on-fly environments that often lead to bonding with co-workers. Working together to solve problems or sharing insights and experiences, many locum tenens physicians create lasting friendships with their colleagues. In addition, 48.8% of physicians said working locum tenens afforded them positive travel experiences, 52.6% said it expanded their professional networking opportunities, and 37.3% said it enhanced their clinical skills.

HOW MANY PHYSICIANS WORK LOCUM TENENS?

It is difficult to determine how many physicians in the United States work on a locum tenens basis in any given year. Staff Care is not aware of any study conducted by the AMA or other source that tracks this data.

Each year Staff Care conducts this survey we therefore make an estimate of this number, based on the number of locum tenens physicians who work through us and our knowledge of the temporary physician staffing industry. In addition, in 2016, we observed through The Physicians Foundation survey referenced above that a growing number of physicians indicate they plan to practice locum tenens in the next one to three years.

Based on these trends we estimate the number of physicians working on a locum tenens basis has grown substantially over the last 14 years (see following chart):

Estimated Number of Physicians Working Locum Tenens		
2002	2014	2016
26,000	44,000	48,000
All active patient care physicians – 800,000 Working locum tenens: 6.0%		

Source: Staff Care industry estimates/AMA Physician Master File

“LINKING IN”

Physicians were asked in the 2017 survey whether they have a LinkedIn profile. Fifty-one percent said that they do, down from 52.2% in 2014 but up from up from 42.9% in 2013. Locum tenens physicians primarily use LinkedIn to network with colleagues, but 7.6% said they use it to look for jobs, suggesting that social media may be an increasingly important way employers can source locum tenens candidates



PART 3

Review of Staff Care’s 2016 Temporary Staffing Assignments

In the course of a calendar year, Staff Care conducts thousands of temporary physician search assignments for its clients, seeking to match independent contractor physicians in multiple specialties with hospitals, medical groups, government facilities and other organizations requiring the services of locum tenens physicians. Staff Care also conducts temporary staffing assignments for nurse practitioners, physician assistants, certified registered nurse anesthetists (CRNAs), dentists and other healthcare professionals.

Following is a review of the types of temporary clinicians Staff Care’s clients requested in calendar year 2016. The review reflects current trends in the locum tenens staffing industry, including which types of temporary healthcare providers are in the greatest demand.

TOP TEMPORARY STAFFING ASSIGNMENTS BY “DAYS REQUESTED”

Staff Care tracks demand for temporary physician staffing services through the number of temporary healthcare professional “days requested” by its clients. The table below indicates the percentage of Staff Care’s “days requested” in 2016 by provider specialty.

	2016	2014	2013	2012	2011
Primary Care (FP, IM & Ped only)	22%	24%	24%	24%	20%
Behavioral Health	14%	15%	18%	18%	19%
Hospitalist	14%	13%	12%	12%	10%
Nurse Practitioner/Physician Assistant	13%	12%	12%	10%	N/A
Anesthesia (Anesthesiologists/CRNAs)	13%	7%	8%	8%	11%
Emergency Medicine	7%	9%	7%	6%	6%
Surgery	5%	7%	6%	7%	8%
Dentistry	5%	5%	5%	5%	4%
Miscellaneous / IM sub-specialties	5%	4%	5%	5%	16%
Radiology	3%	3%	2%	3%	5%
Oncology	0%	1%	1%	2%	1%

Trends and Observations

The breakdown of temporary clinician “days requested” above reflects current demand trends in locum tenens. “Days requested” indicates the number of temporary clinician days in various professional categories Staff Care was asked to fill by hospitals, medical groups and other healthcare facilities nationwide.

PRIMARY CARE REMAINS NUMBER ONE

For the fifth consecutive year, primary care (family practice, general internal medicine, and pediatrics) was the specialty area in greatest demand, accounting for 22% of Staff Care’s total days requested in 2016.

The continued high demand for locum tenens primary care physicians is symptomatic of a national shortage of these types of doctors, which the Association of American Medical Colleges projects will exceed 30,000 physicians by 2025.

The shortage is a function of changing demographics, including both significant population growth and population aging, coupled with a stagnant to declining supply of primary care physicians. The Census Bureau projects that 50 million people will be added to the population between 2000 and 2020. This includes new births and millions of

immigrants, many of whom are young and will require the services of family physicians and pediatricians. The supply of family physicians is compromised by the fact that income and practice conditions for these physicians still trails that of medical specialists.



In addition, the first of 75 million Baby Boomers began turning 65 in 2011 and are becoming eligible for Medicare. According to the Department of Health and Human Services (HHS), patients 65 or over visit a physician at three times the rate of younger people. Older patients with multiple chronic conditions typically are treated by general internists. The supply of internists, however, is constrained by the fact that a growing number of internists are choosing to sub-specialize and are not entering primary care practice. In addition, many internists are choosing to become hospitalists, significantly reducing the supply of those available to perform office-based services.

Maldistribution of physicians in primary care is an additional concern. As referenced above, HHS lists over 6,000 Health Professional Shortage Areas (HPSAs) for primary care, in which 65 million Americans live. These areas are

typically located in traditionally underserved rural and inner city communities.

These trends are likely to be further compounded by health reform, which has added millions of patients to the ranks of the insured. Many of the newly insured are patients with a reservoir of chronic health problems who have not been able to obtain coverage in the past. These patients will require a relatively greater amount of physician time, further straining the supply of primary care doctors. It remains to be seen how results of the 2016 presidential election will change the number of patients with health insurance.

As a result, many hospitals, medical groups, FQHCs and other facilities will continue to be unable to fill permanent positions for primary care doctors. Often, they use locum tenens physicians to maintain services and revenue until permanent positions can be filled, as is reflected in Part I of this Survey.



Hospitalists, sometimes considered primary care physicians, provide in-patient services and now are employed by most hospitals to enhance quality of care, reduce patient stay times and reduce patient re-admissions. They also

may be an important component of physician retention programs as they obviate the need for office-based primary care physicians to round on patients in the hospital, freeing them to see more patients or spend more time per patient. Hospitalist programs continue to proliferate, and hospitalists accounted for 14% of all Staff Care days requested in 2016, up from 13% in 2014.

A GROWING NEED IN BEHAVIORAL HEALTH

Behavioral health is another area in which demand for providers exceeds supply. Behavioral health accounted for 14% of total clinician days requested in 2016, second to primary care.

Demand for locum tenens behavioral health clinicians is a reflection of a growing shortage of mental health professionals nationally and of the increased demand for behavioral health services. HHS lists 3,300 HPSAs nationwide for mental health in which 80 million Americans live, up from just over 1,000 several years ago. HHS projects that demand for general psychiatrists will increase 19 percent between 1995 and 2020, while demand for child and adolescent psychiatrists will increase by 100 percent during the same period.

A BOOST FOR “ADVANCED PRACTITIONERS”

The shortage of physicians in the United States is causing healthcare facilities and clinicians to reconsider traditional

healthcare workforce paradigms. Many policy makers and health professionals have called for a more team oriented approach to clinical care which would expand the role of a growing number of health care providers. Key among these are “advanced practice” professionals, including nurse practitioners (NPs) and physician assistants (PAs).

There are some 200,000 NPs in the U.S. and over 105,000 PAs. They can perform up to 80 percent of the services that physicians provide and, like physicians, they practice in a number of specialty areas. While approximately 85% of NPs provide primary care services, only about one-third of PAs practice primary care, while the rest are spread over a variety of specialty areas.

Demand for these practitioners is growing rapidly and is exceeding the current supply. Though the number of NP and PA education programs is expected to grow by three to five percent annually, noted physician supply expert Richard “Buz” Cooper of the University of Pennsylvania has projected a 20% deficit of NPs and PAs by the year 2025.

Hospitals and medical groups are turning to locum tenens NPs and PAs for many of the same reasons they use locum tenens physicians – to maintain services and revenue and to fill-in until permanent candidates can be found. Five years ago, Staff Care received only a minimal number of requests for locum tenens NPs and PAs. In 2016, they accounted for 13% of all temporary days requested, up from 12% in 2014.



EMERGENCY DEPARTMENTS FEELING STAFFING PINCH

Emergency medicine is another area of growing need. The number of patients visiting hospital emergency rooms has increased in recent years, from 90.3 million in 1996 to 136 million in 2015, according to the Centers for Disease Control. Many patients presenting to the emergency department today are insured, but visit the ER because they cannot see an office-based physician in a timely manner. This trend is being exacerbated by healthcare reform which has extended insurance coverage to millions of people who may not have ready access to office-based physicians. These trends have put growing stress on emergency department staffs, and hospitals are turning to locum tenens physicians to help fill gaps and maintain services. Seven percent of Staff Care’s days requested were in emergency medicine in 2016, down from 9% in 2014 but up from 6% in 2013.

DEMAND FOR SURGICAL SPECIALISTS

Within surgical fields, demand is particularly strong for general surgeons, who often are referred to as the primary care providers of surgery because their services are less specialized and often less well remunerated than services provided by other surgical specialists. Like primary care physicians, general surgeons are in great demand and short supply. The lack of general surgeons and other types of surgeons in certain geographic areas has kept demand for locum tenens surgeons at a steady level over the last several years, with surgical specialties accounting for 5% of days requested in 2016.



ANESTHESIA MAKING A COMEBACK

Somewhat surprisingly, temporary days requested for anesthesia providers, including anesthesiologists and certified registered nurse anesthetists, increased significantly in 2016, accounting for 13% of all days requested, compared to 7% in 2014 and 8% in 2013. One of the purposes of health reform is to create a preventive-based system in which need for invasive procedures is reduced, including

the use of anesthesiology. However, growth in the number of insured patients, combined with a growing population of Medicare patients, may be driving utilization upward despite efforts to reduce procedures requiring anesthesia.

MORE DENTISTS NEEDED

Locum tenens has been an established tradition in medicine for many years but is still a relatively new concept in dentistry. However, the number of dental schools and dental school graduates in the U.S. has remained fixed in recent years. Total annual dental school graduates peaked at 5,750 in 1982, then declined for 16 consecutive years. It is essentially flat at 4,500 per year today. Meanwhile, tens of millions of people have been added to the population.

HHS considers a population that falls below a minimum standard of one dental provider per 3,000 people to be underserved and now lists over 4,100 dental HPSAs nationwide in which 49 million people live. HSS projects it would take 10,000 dental practitioners to achieve the minimum standard for this population. The dental workforce, now comprised of some 199,000 dentists, is strained in many places, leading to the increased use of locum tenens practitioners.

Several years ago, Staff Care received virtually no requests for locum tenens dentists. Today, the firm receives thousands of such requests from state-supported and private dental practices nationwide, with dentistry accounting for 5% of temporary days requested in 2016.

Conclusion

The clinical workforce is going through a period of transition in which physicians and other healthcare professionals are embracing a variety of different practice styles, including locum tenens. This is occurring at a time when the population is aging and growing. Healthcare reform is adding tens of millions of people to the ranks of the insured, increasing the already robust demand for healthcare services. Hospitals, medical groups, FQHCs and other facilities will have to incorporate all types of clinicians in their staffing plans, including locum tenens professionals, to meet the growing access and quality needs of their patients.

For more information about this survey, please contact:



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