

About the Locum Tenens Industry

- **“Locum tenens” is a Latin phrase that means “to hold the place of, to substitute for.”** In layman's terms it means a temporary, or supplemental, physician.

- **Industry History:**

In the mid-1970s the nonprofit Health Systems Research Institute (HSRI) at the University of Utah received a grant from the Robert Wood Johnson Foundation to set up a demonstration project. HSRI sought to help rural communities attract and retain qualified physicians. To help improve conditions for rural physicians, HRSI provided qualified, well-screened clinicians to back up permanent MDs while they took vacation, got continuing medical education or otherwise enjoyed a more balanced lifestyle.

During the 1970s HRSI kept expanding the program to include assignments in more western U.S. states. In 1979 some of the physicians who had worked for the program joined together to create a company out of what had been the locum tenens “department” of HRSI. That company has grown into the industry’s largest player today.

- **Today the industry is thriving.**

- Spending on locum tenens services has grown rapidly over the last 5 years, to approximately \$1.6 billion in 2007.
- Industry research indicates that in 2003, 62% of all healthcare facilities needed at least one locum physician in a typical month.
- Today the recruiting firms providing so-called “temporary physicians” produce close to \$2 billion in revenue annually (estimated, since most locum tenens agencies are privately owned).
- There are roughly 100 U.S.-based companies providing some temporary physician recruiting/placement services. They range in size from one or two home-based employees to some 400 employees at the largest firm.
- The industry estimates that more than 30 percent of the total market share for locum tenens services is contracted directly between the physician and the hospital, clinic or group.
- The industry estimates that 6% of the more than 723,000 practicing U.S. physicians (more than 43,000 physicians) work locum tenens at least some of the time.
- Among physicians who accept locum tenens assignments, approximately 30 percent practice this way exclusively.

- **Why Healthcare Facilities Use Locum Tenens Physicians**

More than 60% of our business is in rural America, where fewer physicians tend to locate. Supplemental healthcare professionals are needed for a variety of reasons:

- To fill in for an absent staff member (who may be ill, on vacation, on maternity leave or sabbatical)
- To cover while physicians attend CME courses
- To staff new facilities while permanent providers are recruited.

- **In addition, many healthcare facilities use locum tenens as an integral part of their master staffing plans.** These facilities tend to staff moderately and use locum tenens to supplement the permanent staff during peaks in census. Often this is more efficient and cost-effective than maintaining peak staffing levels and paying for a lot of staff downtime.

Used strategically, locum tenens physicians can help hospitals and groups attract and keep more staff, which helps facilities or groups retain more patients and produce higher revenue.

- **Why Physicians Work Locum Tenens: FREEDOM**
 - In industry survey of more than 500 physicians, almost half (48%) said the chance to have a **flexible schedule** was a key reason for working short-term assignments.
 - Travel opportunities (38%)
 - Earn extra income (35%)
 - Clinical experience (34%)

Traditionally, physicians' reasons for choosing locum tenens have changed over the course of their careers.

Early Career: An increasing number of those just completing their residencies are attracted by the option of trying out different practice styles and geographic locations before making a permanent commitment.

A high percentage of residents are unhappy with their first permanent practice setting, often because the style of practice is not what they expected or the administrative agenda wasn't clearly defined. Locum tenens allows a physician to earn income while considering long-term goals and how well various components of a given practice setting or geography match up.

Mid-Career: Some mid-career physicians use locum tenens to relieve burn-out or boredom while still earning income. Others use it as a financial safety net while they pursue other personal or business interests, travel, or allow their families to experience different cultures. Through locum tenens opportunities an experienced physician also can try out different areas of the country or new practice styles while deciding how and where to spend the second half of their careers.

Late Career: Many seasoned physicians appreciate the chance to scale back from full-time practice by accepting locum tenens assignments before retiring from medicine completely. After trying retirement, other physicians discover locum tenens work offers a "happy medium" between the snail's pace of full retirement and the rigor of full-time practice.