

2004

Review of Temporary Healthcare Staffing Trends





Summary Report

2004 Review of Temporary Healthcare Staffing Trends

Overview

This report marks the third Review of trends in temporary healthcare staffing presented by Staff Care. The purpose of the annual Review is to quantify trends and attitudes in the temporary healthcare staffing industry and provide a useful benchmark for physicians and healthcare executives alike.

The 2004 Review is based on search assignments through locum tenens search firms, searches conducted by healthcare facilities, and survey data collected from locum tenens physicians and healthcare facilities. For the 2004 Review, we contacted 18,620 administrators at healthcare facilities nationwide, representing all practice settings, and received 1,216 completed surveys, for a response rate of 6.5 percent. We contacted 28,400 physicians known to have worked temporary assignments in 2002 and 2003, receiving 1,871 completed surveys, for a response rate of 6.1 percent. The data from search assignments was gathered during the 2003 calendar year. The survey was conducted between February 1 and February 20, 2004.

Several of the data tables confirm dramatic swings from one year to the next, reflecting a workforce that changes annually. Physician assignments vary in duration and setting. Two or more physicians may fill one opportunity and physicians may work with several staffing firms or independently. Many locum tenens physicians also hold permanent practices, working on a temporary basis for a few weeks during the year, although the custom varies according to specialty. We illustrate some of the vagaries of the industry by breaking down data by experience level, specialty, gender, and training. Note: We chose to separate data collected from psychiatrists in locum tenens practice in parts of this report because their inclusion skews overall results. For example, while 63 percent of temporary psychiatrists have 21 or more years of experience, only 26 percent of all other temporary physicians have achieved a similar level. A Review of the temporary psychiatry market will be made available to those interested.

The breakdown by region, setting, and specialty:

Healthcare facilities surveyed

Total: 1216

Northeast (296) Southeast (326) Southwest (190) Midwest (265) West (139)

Group practices (252) Hospitals (507) Healthcare Networks (47) Clinics (303) Other (107)

Physicians surveyed

Total: 1871

Anesthesiology (206) Primary Care (227) Radiology (497) All other (263)

Psychiatry (678) will be examined in greater detail in a separate Review.

Part I - The Locum Tenens Industry

The tempestuous spurts that characterized locum tenens staffing over the past five years seem to have moderated. Evidence of a stabilized market includes a more measured growth rate, greater efficiency, and indications of an expansion in the scope of specialties in demand. After four consecutive years when spending on locum tenens services jumped between 30 percent and 50 percent annually, growth edged upward by less than 10 percent in 2002 and 2003, reaching \$2.6 billion last year. Of greater note, industry-wide fill rates, the portion of vacant days covered by a locum tenens physician, increased from 42 percent to 58 percent. Finally, previously ‘hot’ specialties simply maintained their share of demand as those responsible for hiring locum tenens physicians sought a greater variety of specialists.

Again in 2003, however, demand for locum tenens services outpaced the supply of physicians available to fill temporary assignments. And concerns over the cost of coverage remained the most significant cause of frustration in the market, which accounts for divergent results when physicians and then administrators are surveyed.

Close to half of all healthcare facilities require locum tenens coverage at any one time, and 62 percent use at least one interim physician in a typical month. This suggests the temporary staffing industry has become mainstream, a necessary part of the healthcare landscape. Indeed, while 80 percent of administrators surveyed complain about the cost of coverage, 89 percent claim that locum tenens physicians are worth the cost in terms of uninterrupted patient care and the maintenance of revenue.

Current data, when compared to previous Reviews, also reveals the rather volatile nature of the industry. Certain survey questions are subject to seemingly random response swings from one year to the next as physicians leave and enter temporary practice. In the 2003 Review (2002 data), a multi-state malpractice crisis shaped survey responses and demand levels. One interesting note in this year’s study: the boost in demand for temporary coverage related to new restrictions on residency hours, most evident in Maryland.

Note percentages presented in this report are rounded to the nearest full digit.

	2003	2002	2001
Physicians Working Locum Tenens (estimate):	29,638	27,740	26,752
Opportunities/Physician:	1.98	2.40	2.46
Fill Rate:	58%	42%	41%

- In 2003, 27 percent of all locum tenens physicians (8,145 physicians) practiced full time on a temporary basis
- Average number of assignments accepted in 2003 by locum tenens physicians: 3
- Average number of days filled by each locum tenens physician in 2003: 46 in 2002: 41

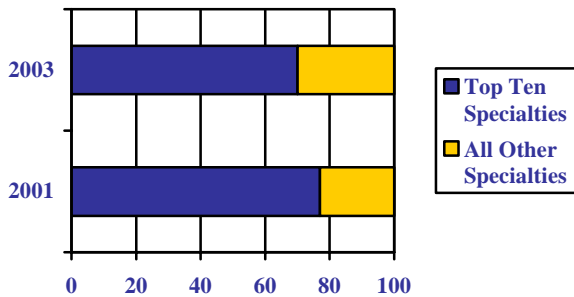
Top 10 Locum Tenens Specialties by Demand

Measured by *days requested* for each specialty by employers of physicians.

The following specialties represent 70 percent of global demand for locum tenens physicians, as compared to 77 percent in the 2002 Review (2001 data). This indicates a continued expansion of demand in specialties such as neurology, gastroenterology, pathology, etc.

2003 Specialty	Demand	2002 Specialty	Demand	2001 Specialty	Demand
Psychiatry	17%	Psychiatry	17%	Radiology	16%
Radiology	14%	Radiology	14%	Psychiatry	16%
Family Practice	9%	Family Practice	11%	Family Practice	13%
Internal Medicine	9%	Anesthesiology	9%	Anesthesiology	10%
Anesthesiology	9%	Internal Medicine	7%	Internal Medicine	8%
Child Psychiatry	4%	Child Psychiatry	3%	Child Psychiatry	4%
ER	3%	ER	3%	ER	4%
Cardiology	2%	Cardiology	2%	ORS	2%
General Surgery	1%	ORS	2%	Cardiology	2%
Pediatrics	1%	GE	2%	Pediatrics	2%

Specialties by Demand



In 2003, the top 10 specialties made up 70% of demand.

In 2001, the top 10 specialties made up 77% of demand.

These figures indicate a point of interest. At first glance, the demand for radiologists slipped from 2001 to 2003. When demand is measured by total search requests rather than total days requested, radiology tops the list with 22 percent of the market. The long decline of demand for primary care physicians is another example of a statistical mirage. While primary care accounted for 19 percent of all days demanded in 2003, more than a quarter of all search requests sought primary care physicians, and they worked 34 percent of all days filled industry-wide.

Top 10 Specialties by Demand

Measured by total search requests for each specialty by employers of physicians

Radiology	22%
Anesthesiology	13%
Psychiatry	13%
Family Practice	13%
Internal Medicine	9%
ER	4%
Pediatrics	3%
Child Psychiatry	3%
General Surgery	2%
Orthopedic Surgery	2%

A note on terminology:

The locum tenens industry measures requests in terms of days, meaning actual vacant days. Search requests are single requests for coverage that may vary in number of days. For instance, one search may seek coverage for 5 total days. Another search may require 20 days of coverage.

Trend Toward Specialization, by Demand

	2003	2002	2001	2000	1999	1998	1997
Primary Care	19%	20%	21%	31%	45%	61%	65%
Psychiatry	17%	17%	16%	10%	6%	4%	3%
Radiology	14%	14%	16%	13%	11%	4%	3%
Anesthesiology	9%	9%	10%	10%	9%	3%	2%
ER	3%	3%	4%	5%	7%	10%	10%
Other	38%	37%	33%	31%	22%	18%	17%

Opportunities Per Physician, Selected Specialties

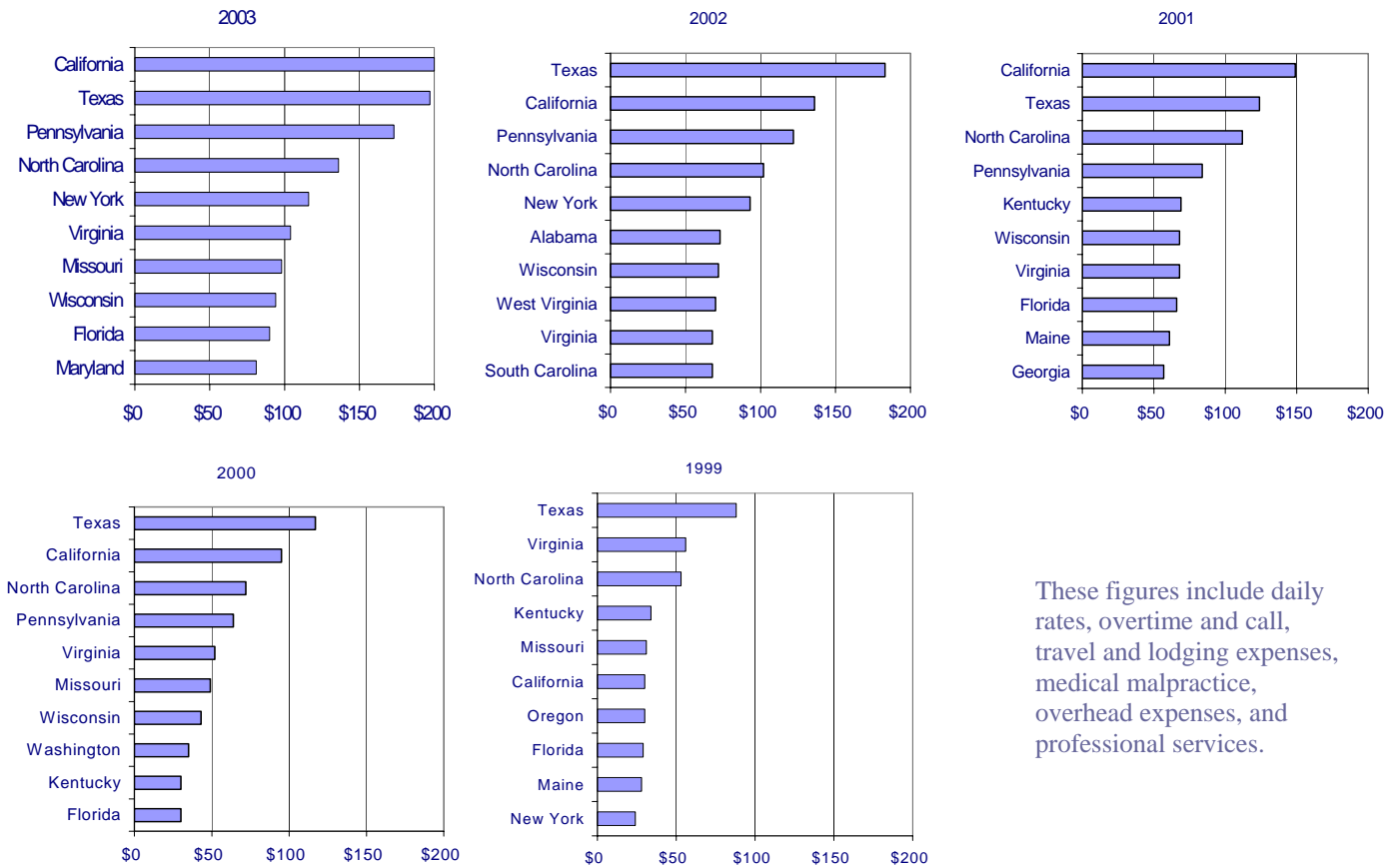
Specialty	Opps/Phys	Annual
Ambulatory Care	4.2	12.9
Anesthesiology	2.5	7.9
Cardiology	1.3	4.0
Dermatology	1.9	5.8
Family Practice	1.6	5.1
General Surgery	3.5	10.8
Internal Medicine	1.3	3.4
Neurology	2.9	9.0
OB/GYN	1.9	5.7
Pediatrics	2.7	8.5
Radiation Oncology	3.6	11.3
Radiology	2.6	8.2
Urology	3.0	9.3

Opportunities per physician represents available assignments in addition to assignments accepted by locum tenens physicians each time he or she searches. Physicians accept 3 assignments annually, on average.

Specialty	2003	2002	2001
Anesthesiology	2.5	2.6	2.9
Cardiology	1.3	2.4	2.7
ER	1.9	2.0	2.0
Family Practice	1.6	1.5	1.6
Gastroenterology	3.5	3.1	2.8
Internal Medicine	1.1	1.6	1.6
Orthopedic Surgery	4.2	4.3	4.1
Radiology	2.6	2.9	2.9

Note the steady growth in demand for gastroenterologists, indicative of the expansion of locum tenens into the mainstream. Healthcare facilities now routinely turn to the temporary market for all specialties.

Locum Tenens Usage: Top Ten States by Locum Tenens Services Spending (estimate) in millions



These figures include daily rates, overtime and call, travel and lodging expenses, medical malpractice, overhead expenses, and professional services.

Locum Tenens Usage: Total Spending On Locum Tenens Services (estimate)

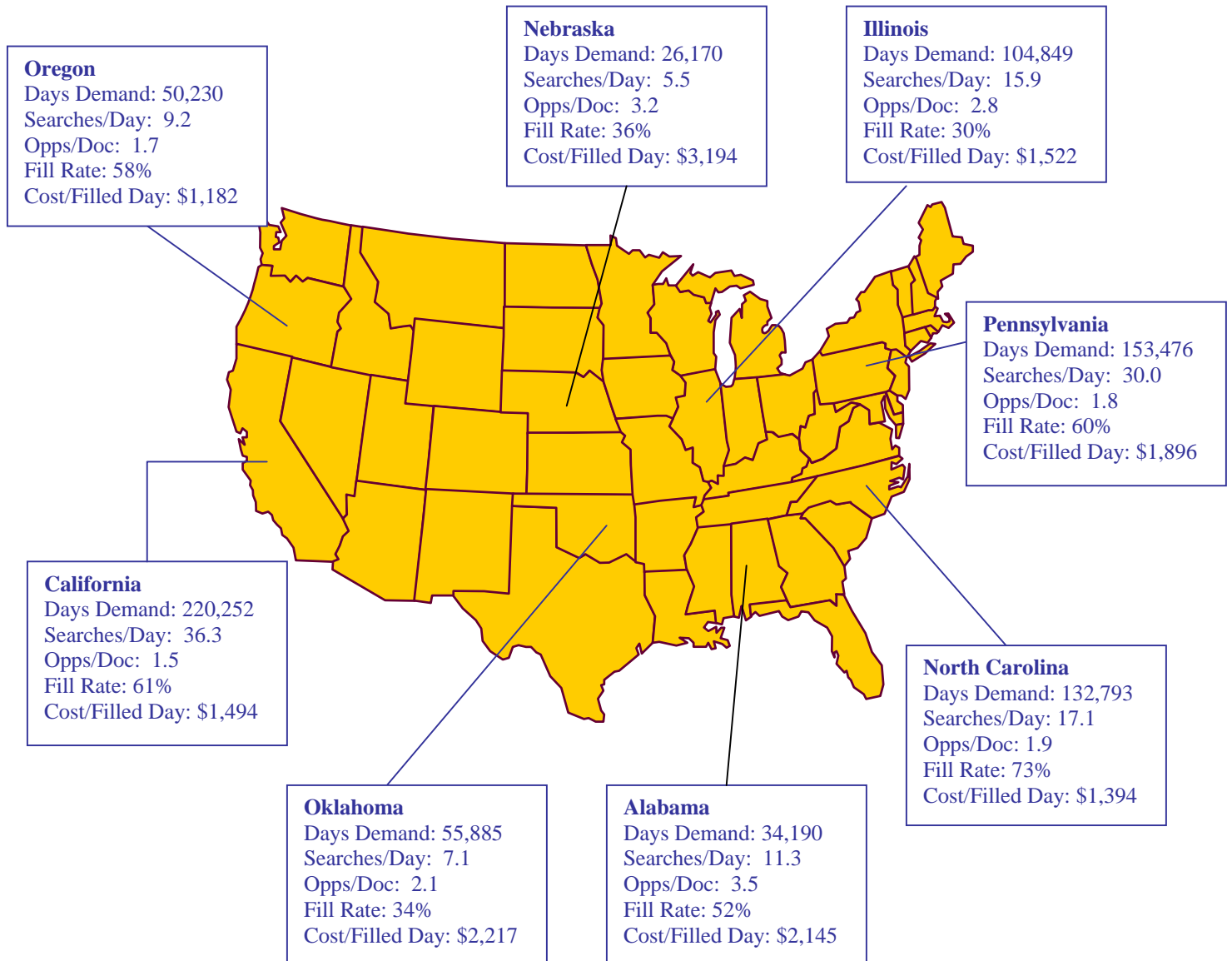
2003	2002	2001	2000	1999	1998	1997
\$2.6 bill	\$2.08 bill	\$1.93 bill.	\$1.25 bill.	\$899 mill.	\$684 mill.	\$479 mill

Locum Tenens Usage, 2003

- **Average Searches Per Day: 514**
- **Days Available, Per Day: 8,326**
- **Days Filled: 1.7 million**
- **Average Cost Per Filled Day: \$1,520**

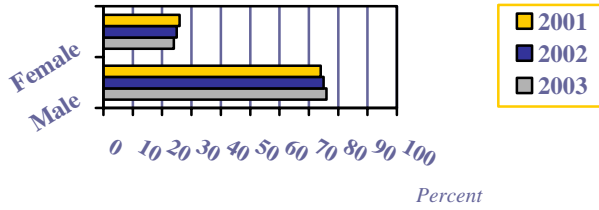
The following chart illustrates the great variety in the locum tenens market place. Demand represents the number of days coverage sought by facilities within each state in 2003. Fill rate establishes the percent of all days actually covered by a temporary physician. Cost per filled day is a measure of the average amount spent to fill one vacant day by facilities in each state, including malpractice costs, travel, overhead, search costs, and various other expenses. Factors such as availability of local physicians or cost of living may affect average cost per filled day.

Locum Tenens Usage: Selected States

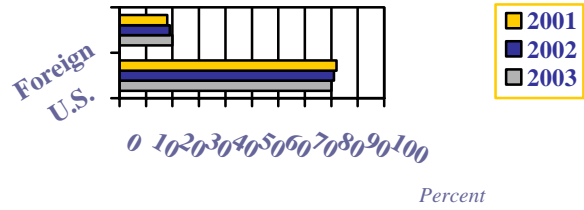


Who works locum tenens?

Gender



Training



Years Experience

	2003	2002	2001
Just out of residency/fellowship	13%	13%	11%
1-5 years	22%	21%	26%
6-10 years	13%	9%	15%
11-20 years	26%	29%	21%
More than 21	26%	28%	27%
Ten or fewer	48%	43%	52%
11 or more	52%	57%	48%

	2003		2002		2001	
	Male	Female	Male	Female	Male	Female
Just out of residency/fellowship	12%	18%	9%	25%	11%	10%
1-5 years	19%	31%	19%	27%	25%	29%
6-10 years	13%	13%	8%	12%	11%	28%
11-20 years	26%	25%	31%	21%	23%	14%
More than 21	30%	13%	33%	15%	30%	19%
Ten or fewer	44%	62%	36%	64%	47%	67%
11 or more	56%	38%	64%	36%	53%	33%

	2003		2002		2001	
	US	IMG	US	IMG	US	IMG
Just out of residency/fellowship	14%	9%	13%	11%	9%	20%
1-5 years	21%	26%	18%	32%	25%	30%
6-10 years	11%	18%	9%	11%	17%	6%
11-20 years	26%	26%	29%	27%	18%	32%
More than 21	28%	21%	31%	19%	31%	12%
Ten or fewer	46%	53%	40%	54%	51%	56%
11 or more	54%	47%	60%	46%	49%	44%

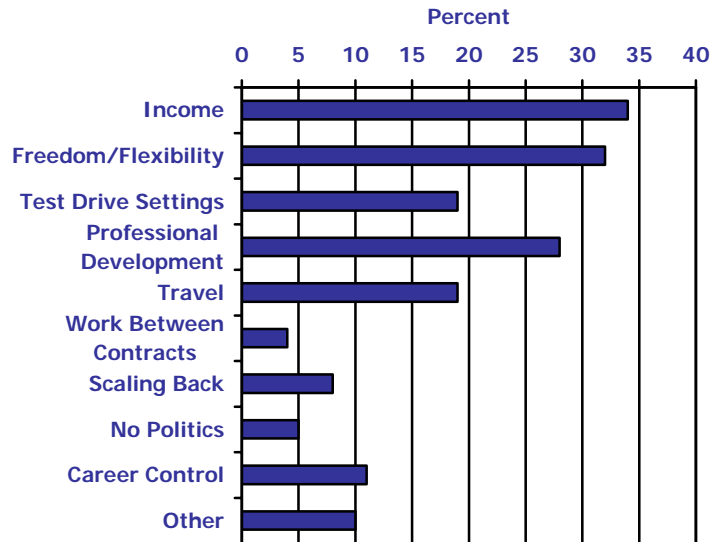
Are You Currently In A Permanent Practice?

Yes: 37%
No: 63%

Are You Currently Searching For A Permanent Opportunity?

Yes: 32%
No: 68%

Why Practice On A Locum Tenens Basis?



How long have you worked on a locum tenens basis?

	2003	2002	2001
Less than 1 year	52%	71%	70%
1-3 years	28%	15%	21%
More than 3 years	20%	14%	9%

	2003		2002		2001	
	Male	Female	Male	Female	Male	Female
Less than 1 year	53%	49%	66%	86%	75%	57%
1-3 years	27%	31%	17%	6%	18%	29%
More than 3 years	20%	20%	17%	8%	7%	14%

	US		IMG		US		IMG	
	US	IMG	US	IMG	US	IMG	US	IMG
Less than 1 year	53%	47%	71%	72%	68%	81%	22%	15%
1-3 years	26%	35%	16%	8%	10%	4%	13%	20%
More than 3 years	21%	18%	13%	20%	22%	15%	10%	4%

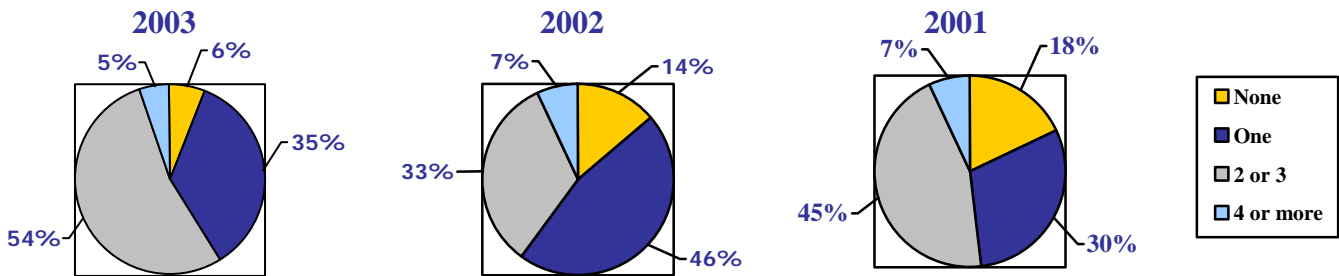
How long do you intend to work on a locum tenens basis?

	2003	2002	2001
Until I find a permanent position	28%	30%	33%
Less than 1 year	8%	9%	25%
1-3 years	25%	35%	20%
More than 3 years	39%	26%	22%

	2003		2002		2001	
	Male	Female	Male	Female	Male	Female
Until I find a permanent position	33%	13%	24%	49%	40%	14%
Less than 1 year	7%	10%	9%	6%	21%	33%
1-3 years	24%	31%	38%	26%	24%	10%
More than 3 years	36%	46%	29%	19%	15%	43%

	2003		2002		2001	
	US	IMG	US	IMG	US	IMG
Until I find a permanent position	32%	12%	28%	39%	34%	33%
Less than 1 year	6%	15%	7%	13%	22%	33%
1-3 years	25%	29%	35%	36%	20%	20%
More than 3 years	37%	44%	30%	12%	24%	14%

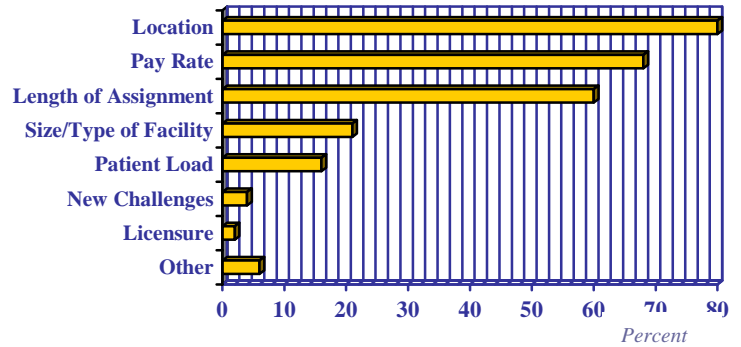
How Many Firms Do You Work With?



How do you select a firm?

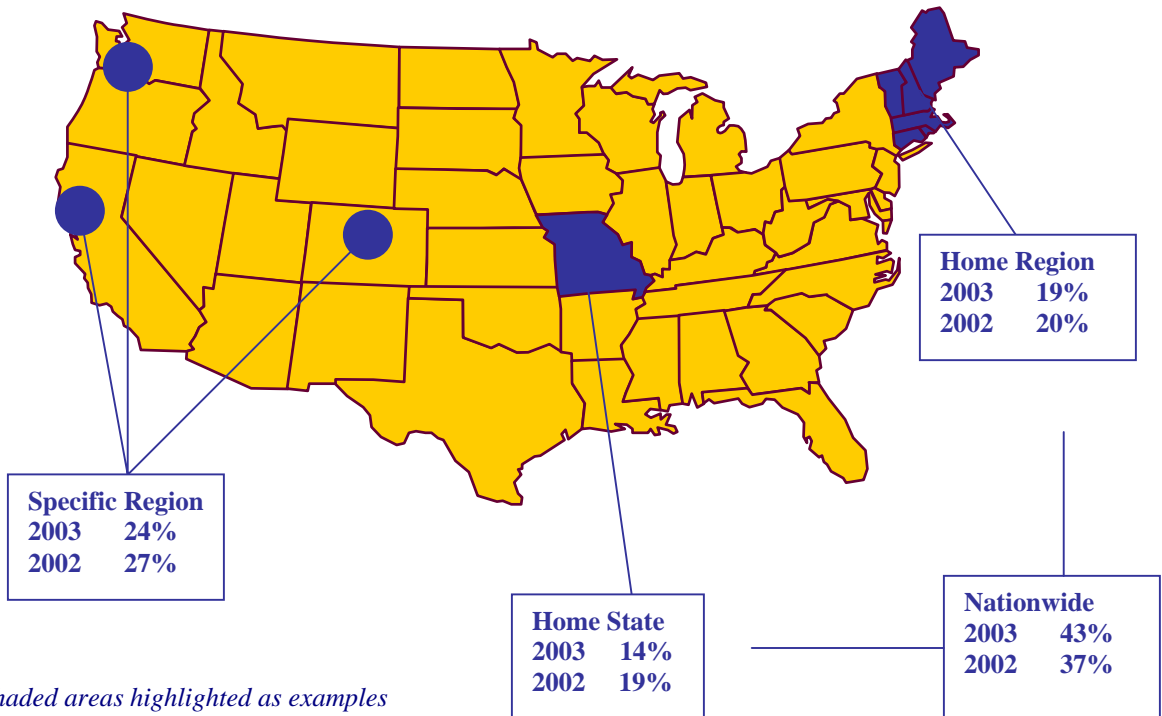
	2003	2002	2001
Location of opportunities	71%	75%	9%
Pay rates	61%	45%	40%
Number of opportunities	49%	36%	12%
Reputation/name recognition	31%	33%	34%
Malpractice insurance/benefits	24%	37%	27%
Advertising/Marketing	5%	2%	7%
Other	3%	5%	5%

How Do You Select An Opportunity?



More than one answer accepted

Which states/regions do you wish to work in?



As a locum tenens physician, are you:

Accepted by colleagues

	2003	2002	Male	Female	US	IMG
Yes	95%	76%	95%	92%	94%	97%
No	0%	3%	0%	0%	0%	0%
Tolerated	5%	21%	5%	8%	6%	3%

Accepted by patients

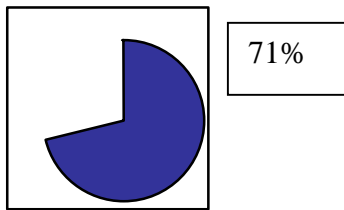
Yes	98%	77%	98%	97%	98%	100%
No	0%	1%	0%	0%	0%	0%
Tolerated	2%	22%	2%	3%	2%	0%

Accepted by administration

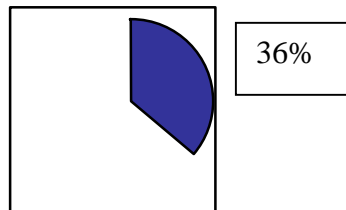
Yes	89%	74%	89%	90%	90%	100%
No	0%	6%	0%	0%	0%	0%
Tolerated	11%	20%	11%	10%	20%	0%

What is your greatest value to a facility?

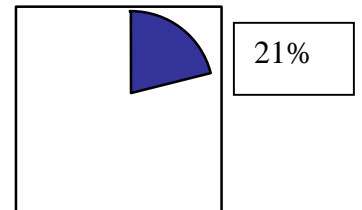
Maintain Patient Care



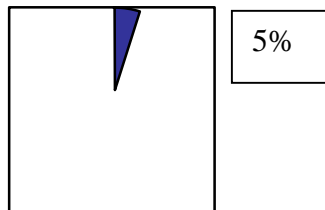
Generate Revenue



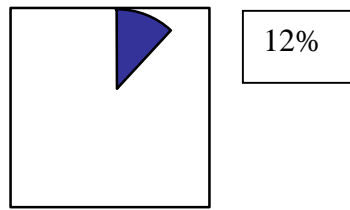
Prevent Staff Burnout



Specific Skills

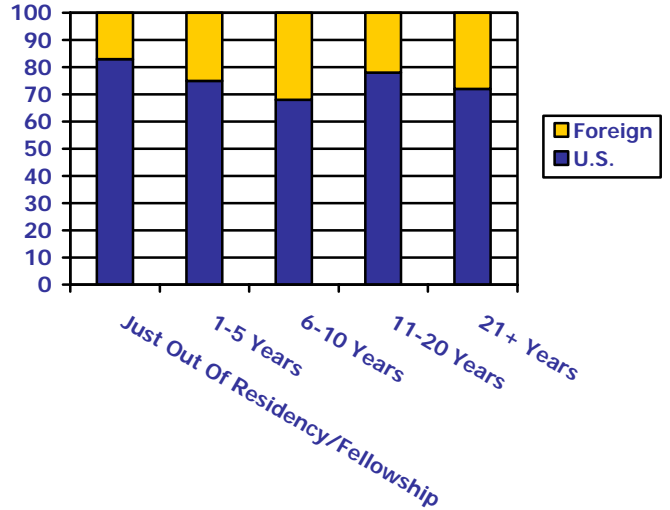
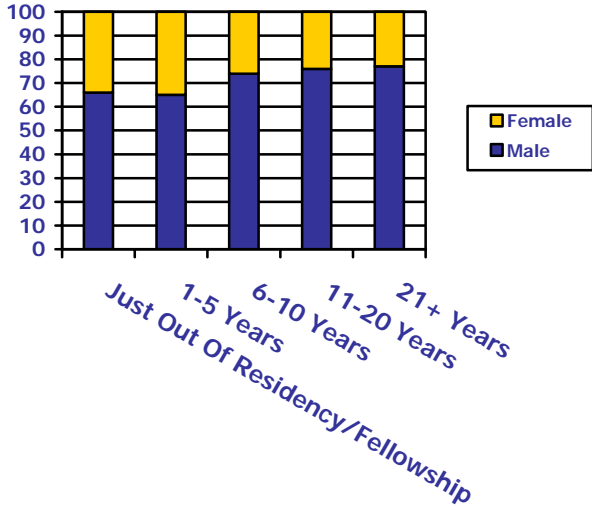


Not Certain

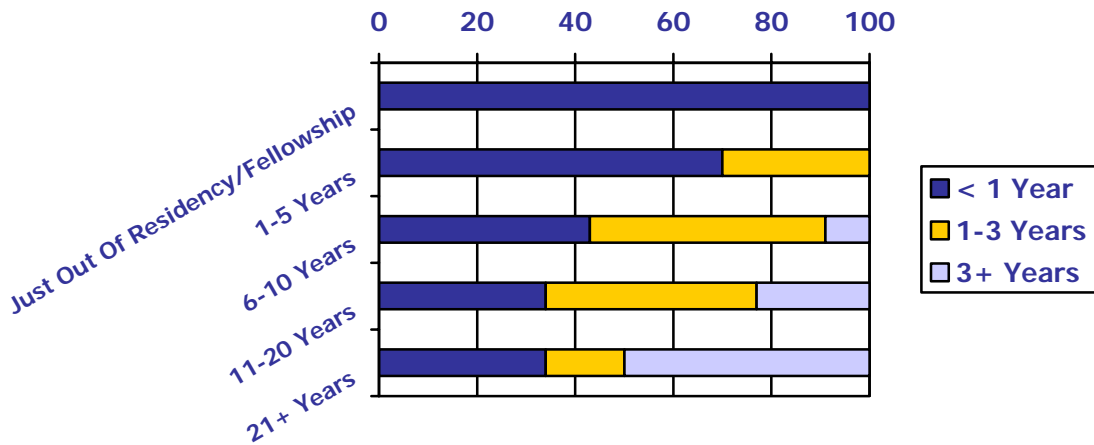


More than one answer accepted

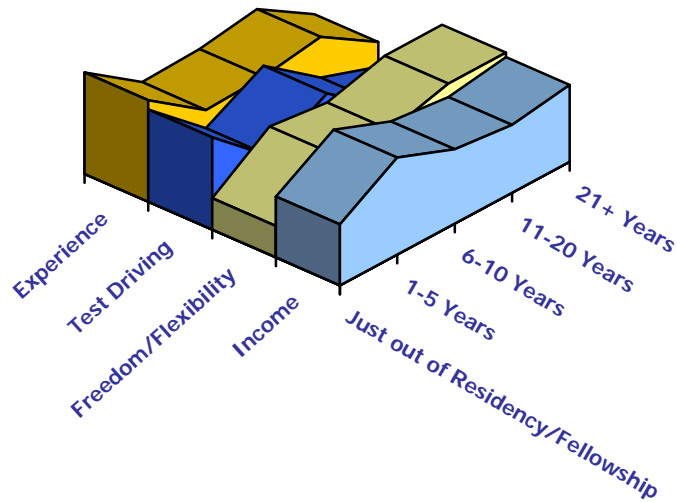
Locum Tenens Physicians, By Experience Level



How Long Have You Practiced On A Locum Tenens Basis?



Why Practice On A Locum Tenens Basis?



As a locum tenens physician are you accepted . . .

By colleagues

	Residency	1-5	6-10	11-20	21+
Yes	95%	95%	90%	96%	95%
No/tolerated	5%	5%	10%	4%	5%

By patients

Yes	95%	97%	95%	100%	100%
No/tolerated	5%	3%	5%	0%	0%

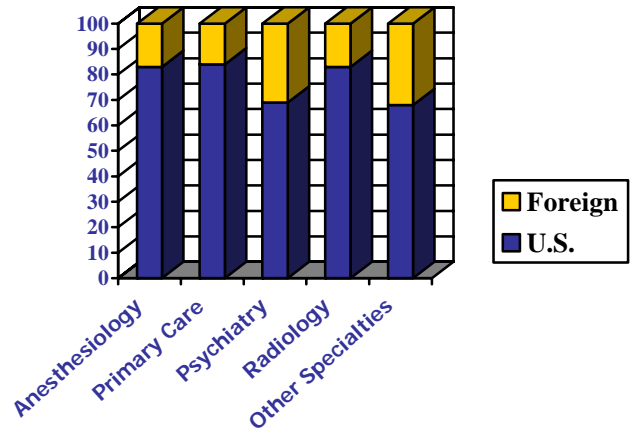
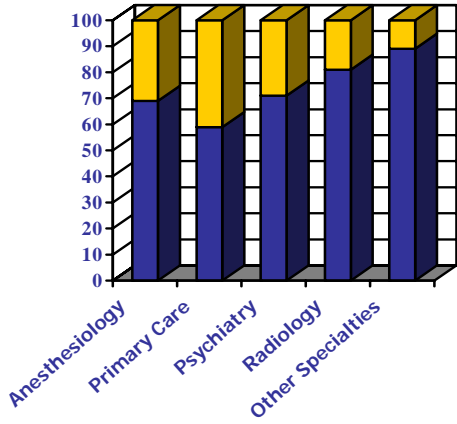
By administration

Yes	95%	78%	81%	98%	91%
No/tolerated	5%	22%	19%	2%	9%

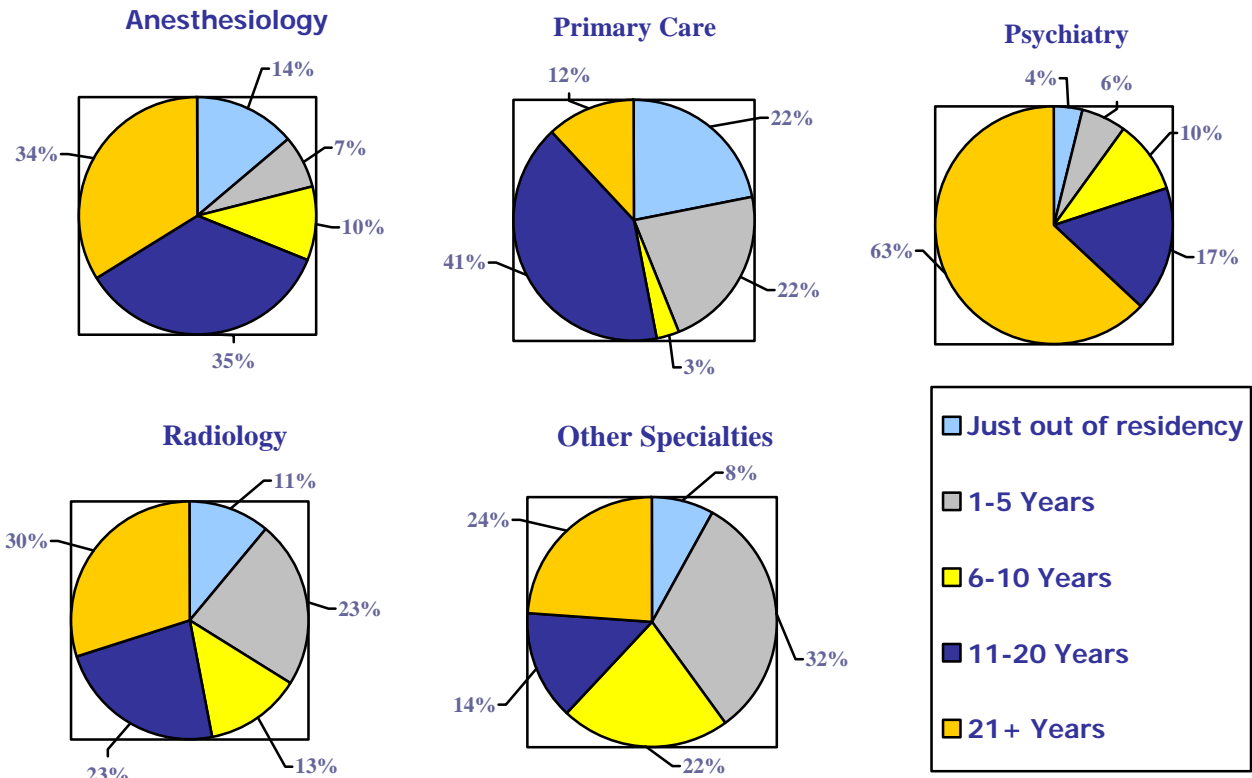
What is your greatest value to the hiring facility?

Maintain patient care	50%	70%	87%	65%	85%
Generate revenue	13%	35%	40%	25%	40%
Prevent staff burnout	18%	17%	15%	7%	18%
Not certain	41%	18%	8%	18%	6%
Other	0%	3%	6%	9%	10%

Locum tenens physicians, by specialty



Years Of Experience



Are You Currently In A Permanent Position?

	Anes	PC	Psy	Rad	Other
Yes	41%	22%	31%	46%	30%

Are You Currently Searching For A Permanent Postion?

	Anes	PC	Psy	Rad	Other
Yes	21%	34%	22%	24%	51%

As a locum tenens physician are you accepted . . .

By colleagues

	Anes	PC	Psy	Rad	Other
Yes	93%	97%	91%	93%	97%
No/tolerated	7%	3%	9%	7%	3%

By patients

Yes	100%	100%	91%	97%	97%
No/tolerated	0%	0%	9%	3%	3%

By administration

Yes	93%	97%	81%	86%	87%
No/tolerated	7%	3%	19%	14%	13%

What is your greatest value to the hiring facility?

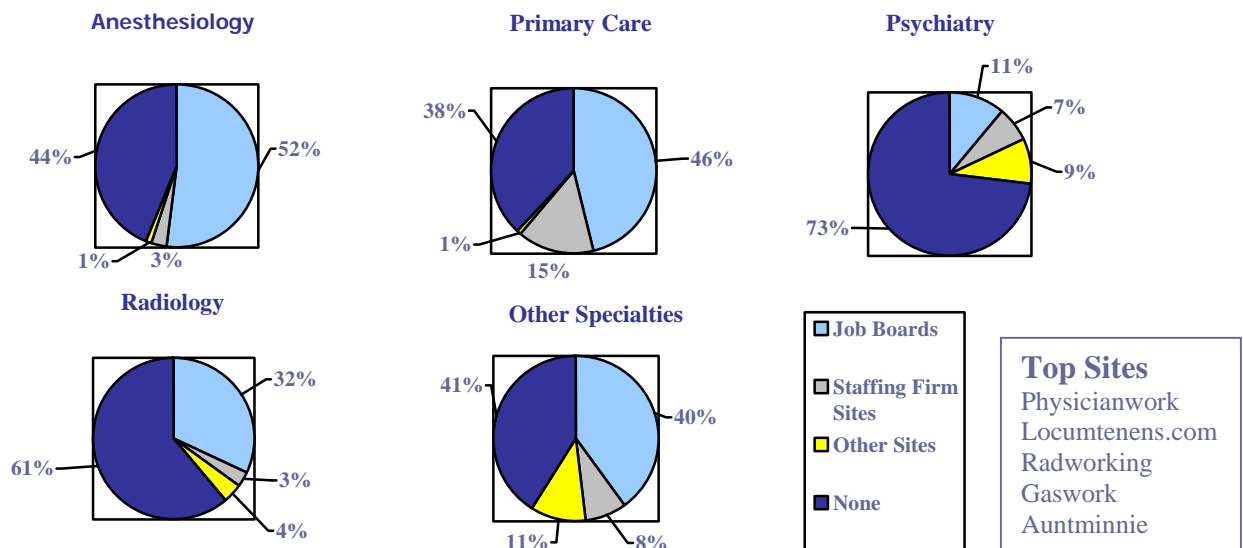
Maintain patient care	69%	81%	81%	61%	84%
Generate revenue	57%	25%	23%	37%	27%
Prevent staff burnout	35%	6%	22%	24%	16%
Not certain	17%	13%	11%	10%	11%

The Market For Selected Locum Tenens Specialties:

Specialty	Fill Rate	S/D	ARAL	AO/P
Ambulatory Care	88%	3.4	4	12.9
Anesthesiology	54%	66.8	11	7.9
Cardiology	70%	9.4	16	4.0
Emergency Medicine	67%	20.1	12	5.8
Family Practice	75%	63.3	12	5.1
Gastroenterology	47%	10.1	9	10.7
Internal Medicine	77%	42.5	18	3.4
Neurology	45%	5.0	12	9.0
OB/GYN	77%	9.2	10	5.8
Orthopedic Surgery	35%	10.8	10	12.8
Pediatrics	77%	15.7	7	8.3
Psychiatry	41%	66.1	21	5.2
Radiation Oncology	42%	5.7	10	11.3
Radiology	51%	110.0	11	8.2
Urology	85%	3.7	6	9.2

Legend: S/D=Searches per Day; ARAL=Average Requested Assignment Length, or the number of days requested per search (rather than actual assignment lengths); AO/P=Annual Number of Opportunities per Physician

Which Websites Do You Use When Searching For Temporary Assignments?



Part I - Trends and Observations

Previous versions of the Review concentrated on big events and their influence over supply of and demand for locum tenens physicians, from the frenzied search for radiology and anesthesiology coverage beginning in the late 1990s to the recent battle over malpractice relief.

The evident stabilization of the market, however, allows data from the 2004 Review to unveil more of the deeper issues affecting physician recruitment, supply, demand—even lifestyle. Since 2001, the primary care share of market demand has been relatively stable. In fact, demand for psychiatrists, radiologists, and anesthesiologists show signs of stability, as well. The market now moves on demand for other specialists. Note, for example, the steady increase in opportunities per physician rates for gastroenterologists, up from 2.8 in 2001 to 3.5 last year.

Those studying the permanent staffing market often debate the extent—or even the existence—of a physician shortage. The Review indicates a comprehensive shortage, varying only in degree according to specialty and location. Healthcare facilities conducted over 500 searches for locum tenens coverage each day in 2003. Vacation coverage accounts for roughly half of this demand, but the effect of the shortage appears throughout the data: 32 percent of physicians enter the locum tenens market in part to escape the burdens of permanent practice, and 21 percent list preventing staff burnout as one of the benefits they bring to a hiring facility, and two opportunities exist for each interim physician.

The normal ebb and flow of a physician's career also affects the market. The survey indicates that a number of physicians leave their first permanent practice after two or three years. Physicians with less than five years of professional experience make up 35 percent of the market. Many of those just out of residency—13 percent—opt to postpone their permanent careers and enter the locum tenens field directly. Physicians entering mid-career are the most stable. The new 'Generation X' group of physicians, as has been reported, select assignments based more upon lifestyle options than need for their services—apparent in the primacy of 'location' when selecting an opportunity.

Yet the role of locum tenens in a market shaped by shortages, new regulations, and lifestyle choices becomes clear in the data, as well. Close to 2,900 additional physicians entered temporary practice over the past three years, filling approximately 133,000 additional days. More than a third of all locum tenens physicians already practice in a permanent setting, using some of their vacation time to add FTEs back into the market. This is particularly true in radiology and anesthesiology.

All of this aided an increasingly efficient industry, now filling 58 percent of demand.

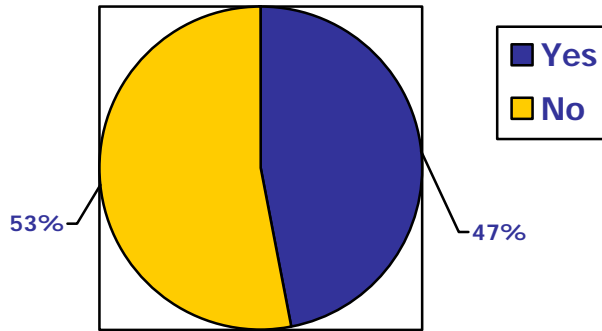
Part II - The Need For Locum Tenens: Demand and Hiring

Healthcare facilities spent an estimated \$2.6 billion on locum tenens services in 2003, up from \$2.08 billion in 2002 and a dramatic increase over the \$479 million spent in 1997.

Clearly facilities have developed a level of reliance on temporary physicians.

The following portion of the 2004 Review is based survey responses from 1,216 administrators, directors, and physicians responsible for recruiting.

Are You Currently Searching For Locum Tenens Coverage?



Compared to 2002, Is Filling A Temporary Opportunity

Easier?	16%
The Same?	66%
More Difficult?	18%

In A Typical Month, How Many Locum Tenens Physicians Do You Use?

None	38%
1 to 3	57%
4 to 6	4%
7 or More	1%

Why consider locum tenens physicians? (More than one answer accepted)

	2003	2002	2001
Loss of staff	69%	71%	n/a
Adding staff	23%	40%	50%*
Vacation/CME coverage	57%	55%	50%
Increase in patient base	10%	7%	13%
Test marketing need	3%	5%	3%
Other	8%	3%	5%

*Response listed in 2002 survey (2001 data) as "Hiring Permanently"

What are the benefits of using locum tenens physicians?

	2003	2002	2001	
Continued treatment of patients	72%	74%	59%*	<i>More than one answer accepted</i>
No lost revenue	36%	38%	16%	
Immediate availability	44%	40%	n/a	
Prevent staff burnout	27%	16%	6%	
Prevent Patient Migration	3%	n/a	n/a	
Cost	2%	1%	n/a	
Other	7%	1%	5%	

*Response listed in 2002 survey (2001 data) as “staffing shortage coverage”

What are the drawbacks of using locum tenens physicians?

	2003	2002	2001	
Cost	80%	74%	55%	<i>More than one answer accepted</i>
Familiarity with practice	49%	48%	18%	
Continuity of care	6%	5%	11%	
Licensure delays	5%	21%	8%	
Other	4%	7%	8%	

Are locum tenens physicians accepted by colleagues?

	2003	2002
Yes	79%	79%
No	1%	1%
Tolerated	20%	20%

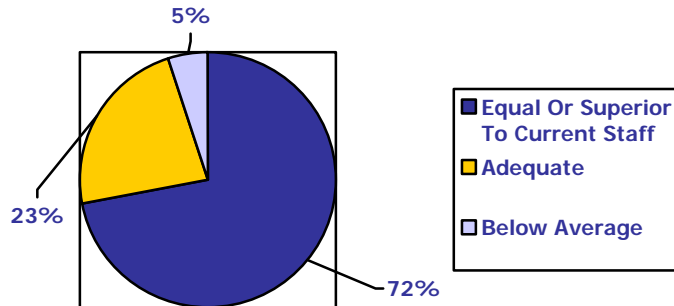
Are locum tenens physicians accepted by patients?

Yes	85%	91%
No	1%	1%
Tolerated	14%	8%

Are locum tenens physicians accepted by the administration?

Yes	80%	n/a
No	1%	n/a
Tolerated	19%	n/a

What is your perception of the skill level of temporary physicians?



Compared To Your Staff Physicians, Locum Tenens Treat

More Patients Per Day	2%
Fewer Patients Per Day	30%
No Difference	68%

Compared To Your Staff Physicians, Locum Tenens Spend

More Time With Each Patient	15%
Less Time With Each Patient	6%
No Difference	79%

Compared To Your Staff Physicians, Locum Tenens Generate

More Gross Charges Per Day	2%
Fewer Gross Charges Per Day	26%
No Difference	72%

Is the value of locum tenens:

Worth the cost	89%
Not worth the cost	11%

How many staffing firms do you work with when recruiting temporary physicians?

	Total
None	6%
One	23%
2-3	55%
4 or more	16%

What are the most important factors in selecting a firm? (More than one answer accepted)

	2003	2002	2001
Quality of candidates	61%	58%	43%
Cost	39%	45%	30%
Promptness/availability of candidates	53%	49%	36%
Customer Service	26%	21%	16%
Contract flexibility	8%	12%	9%
Malpractice insurance	10%	23%	1%
Other	3%	3%	7%

When considering locum tenens coverage, which of these issues concern you:

Malpractice insurance

	2003	2002
High/moderate concern	72%	63%
Low/no concern	28%	37%

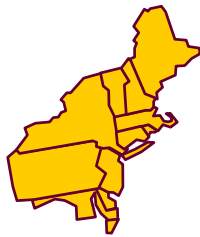
Reimbursement

	2003	2002
High/moderate concern	75%	64%
Low/no concern	25%	36%

State medical licensure

	2003	2002
High/moderate concern	76%	57%
Low/no concern	24%	43%

Regional Variations



Northeast

\$572 million

Searches per day: 62.2

Currently searching: 56% (2002: 50%)

Fill rate: 58%

Cost per filled day: \$1,970

	2003	2002
Why use locum tenens?		
Loss of staff	72%	73%
Vacation/CME coverage	47%	45%
Adding staff	32%	45%
Preventing burnout a benefit:	24%	12%
What is your perception of the skill level?		
Equal or better than staff	61%	70%
Are locum tenens accepted by colleagues?		
Yes	77%	85%
By patients?		
Yes	86%	96%
Are searches more difficult than last year?		
Yes	38%	n/a
Are locum tenens physicians worth the cost?		
Yes	85%	
Which of these concern you		
Malpractice coverage		
High/moderate	76%	54%
Reimbursement		
High/moderate	83%	65%
Licensure		
High/moderate	84%	65%



Southeast

\$712 million

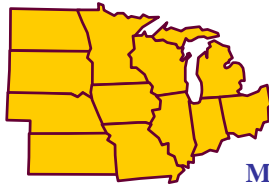
Searches per day: 138.5

Currently Searching 49% (2002: 54%)

Fill rate: 61%

Cost per filled day: \$1,421

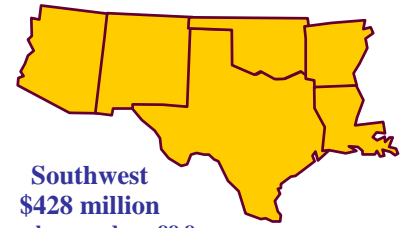
	2003	2002
Why use locum tenens?		
Loss of staff	64%	66%
Vacation/CME coverage	53%	58%
Adding staff	21%	38%
Preventing burnout a benefit	28%	21%
What is your perception of the skill level?		
Equal or better than staff	73%	80%
Are locum tenens accepted by colleagues?		
Yes	72%	82%
By patients?		
Yes	90%	91%
Are searches more difficult than last year?		
Yes	21%	n/a
Are locum tenens physicians worth the cost?		
Yes	85%	
Which of these concern you		
Malpractice coverage		
High/moderate	73%	82%
Reimbursement		
High/moderate	71%	58%
Licensure		
High/moderate	75%	63%



Midwest
\$544 million

Searches per day: 121.2
Currently Searching : 41% (2002: 49%)
Fill rate: 48%
Cost per filled day: \$1,549

	2003	2002
Why use locum tenens?		
Loss of staff	74%	78%
Vacation/CME coverage	64%	53%
Adding staff	13%	34%
Preventing burnout a benefit	28%	14%
What is your perception of the skill level?		
Equal or better than staff	68%	76%
Are locum tenens accepted by colleagues?		
Yes	81%	75%
By patients?		
Yes	80%	86%
Are searches more difficult than last year?		
Yes	5%	n/a
Are locum tenens physicians worth the cost?		
Yes	96%	
Which of these concern you		
Malpractice coverage		
High/moderate	59%	51%
Reimbursement		
High/moderate	67%	74%
Licensure		
High/moderate	63%	53%



Southwest
\$428 million

Searches per day: 88.8
Currently Searching: 34% (2002: 51%)
Fill rate: 64%
Cost per filled day: \$1,300

	2003	2002
Why use locum tenens?		
Loss of staff	57%	69%
Vacation/CME coverage	55%	60%
Adding staff	20%	48%
Preventing burnout a benefit	21%	21%
What is your perception of the skill level?		
Equal or better than staff	80%	80%
Are locum tenens accepted by colleagues?		
Yes	88%	74%
By patients?		
Yes	86%	89%
Are searches more difficult than last year?		
Yes	9%	n/a
Are locum tenens physicians worth the cost?		
Yes	89%	
Which of these concern you		
Malpractice coverage		
High/moderate	89%	77%
Reimbursement		
High/moderate	80%	65%
Licensure		
High/moderate	88%	70%



AK
HI

West
\$423 million

Searches per day: 84.8 Currently Searching 42% (2002: 52%) Fill rate: 62% Cost per filled day: \$1,457

	2003	2002
Why use locum tenens?		
Loss of staff	78%	68%
Vacation/CME coverage	76%	54%
Increase in patient base	29%	7%
Preventing burnout a benefit	32%	12%
What is your perception of the skill level?		
Equal or better than staff	78%	77%
Are locum tenens accepted by colleagues?		
Yes	78%	78%
By patients?		
Yes	76%	93%
Are searches more difficult than last year?		
Yes	7%	n/a
Are locum tenens physicians worth the cost?		
Yes	93%	
Which of these concern you		
Malpractice coverage		
High/moderate	61%	44%
Reimbursement		
High/moderate	73%	56%
Licensure		
High/moderate	63%	38%

Part II - Trends and Observations

Temporary physicians as an integral part of healthcare delivery in the United States is no longer a stretch of the imagination. Spending on locum tenens services reached \$2.6 billion in 2003 and facilities required more than three million days of coverage. Close to half of all facilities are seeking coverage at any one time, and 62 percent use at least one temporary physician in a typical month.

Such data also confirms to some degree a shortage of healthcare providers. While it is difficult to ascertain a precise figure for demand unrelated to vacation, illness, and other normal gaps in care, the information presented in this Review, as mentioned in the previous section, suggests a comprehensive shortfall. Most notable in this regard is the rise in the number of administrators and others responsible for hiring physicians listing the prevention of staff burnout as a benefit of locum tenens usage, from a meager six percent in 2001 to 27 percent last year. Note also the steady climb in the importance of the availability of candidates and prompt placement when administrators evaluate a staffing firm.

Unfortunately, cost—or rather, perceived cost—creates a noticeable amount of friction in the market. A striking majority of administrators surveyed (80 percent) cite cost as the most significant drawback to interim coverage. Frustration is evident in the discussion of workplace acceptance, as well. When physicians measure the response of colleagues and patients to the presence of temporary practitioners, at least 95 percent claim to be accepted. Administrators, however, reach a different conclusion, with 79 percent recognizing acceptance by staff physicians and 85 percent by patients. As a result, a growing number of those responsible for hiring physicians list customer service as a factor in selecting a staffing firm, up to 26 percent in 2003 compared to 16 percent two years prior.

Despite concerns over the cost of temporary coverage, an overwhelming 89 percent claim that coverage is worth the cost, whether through the continuation of patient care (72 percent), maintaining revenue (36 percent), or preventing staff burnout.

In addition, the majority of administrators see no difference in patient care when using interim services, with two-thirds ranking locum tenens equal in patients treated per day and almost three out of four finding no change in gross charges generated per day. Indeed, 72 percent consider temporary physicians equal to their permanent staff.

Again, locum tenens coverage has become mainstream.

For more information regarding this survey, please contact:



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