

# Practice Management

## Agencies Can Extend Clinical Recruiting and Staffing Capabilities

**Urgent message:** Medical staffing agencies extend an urgent care center's recruiting and staffing capabilities with solutions to fill all operating hours with qualified providers.

Alan A. Ayers, MBA, MAcc

### Introduction

The United States faces a shortage of primary care and emergency medicine physicians—the provider force feeding urgent care today.

When an urgent care center has an insufficient number of providers to adequately cover its schedule, the patient experience suffers due to extended wait times, being turned away without receiving treatment, and poor service from providers who have become tired and frustrated with their inability to keep pace with an ever-increasing workload.

As the adverse effects of provider shortages escalate, overworked physicians leave for better working environments—leading to more unfilled shifts and management's time consumed by recruiting and staffing tasks.

Medical staffing agencies enable urgent care operators to stay focused on day-to-day operations by finding



© Laughing Stock/Corbis

qualified locum tenens (temporary) and permanent providers for the center.

### Locum Tenens: A Ready Solution to Scheduling Shortfalls

Medical providers are subject to periods of absence due to personal or family illness, vacation, continuing medical education, or unexpected events.

Urgent care centers are also subject to increased provider turnover due to greater family mobility, “baby boomers” approaching retirement age, and market demand for

providers leading to better job opportunities. And even when a center is fully staffed, ebbs and flows in patient volume may lead to occasions (such as flu season) in which permanent providers cannot keep pace.

But unlike front office and medical support staff that can easily cover the workload of a missing colleague, en-

**Table 1. Benefits and Drawbacks of Utilizing Locum Tenens Providers in Urgent Care**

Benefits	Drawbacks
<ul style="list-style-type: none"> <li>• Allows uninterrupted treatment of patients and retention of patient revenue during a provider’s absence.</li> <li>• Provides extra help for after-hours coverage or during periods of increased demand, such as flu season.</li> <li>• Improves provider retention and job satisfaction by preventing burnout of existing staff.</li> <li>• Minimizes the risk of extending hours or testing new service lines that might otherwise require a full-time permanent provider.</li> <li>• Credentialing, licensing, privileging, and other administrative tasks are performed by the staffing agency.</li> <li>• Medical malpractice insurance coverage is provided by the staffing agency.</li> </ul>	<ul style="list-style-type: none"> <li>• Hourly rates may be higher than permanent provider salaries, as they include the staffing company’s operating costs and profit margin.</li> <li>• There is a steep “learning curve” for each new provider that includes the center’s policies, procedures, workflow, equipment, and systems.</li> <li>• Locum tenens are not “vested” in the assigned practice, which can manifest in poor bedside manner, hurried or sloppy documentation, and lack of attention to coding.</li> <li>• Learning curve and lack of vesting may result in less productivity (fewer procedures performed or patients treated per day) and lower gross charges than with permanent providers.</li> <li>• Locum tenens are not vested in the assigned practice, which can manifest in poor bedside manner, hurried or sloppy documentation, and lack of attention to coding.</li> <li>• Locum tenens may not assimilate into a center’s culture, leading to patient and/or staff perceptions they are “transient” or “lower quality” doctors.</li> </ul>

**Table 2. Value of Utilizing Locum Tenens Providers in Urgent Care**

Lost revenue due to inability to treat patients + diminished brand equity due to patients seeking care elsewhere – daily or hourly cost of locum tenens provider – differential in productivity (number of patients seen, gross charges entered) – differential in quality of clinical care delivered – differential in quality of patient experience (bedside manner, quality and continuity of care) = <b>value retained by locum tenens provider</b>
---

trepreneurial urgent care centers rarely have a “bench” of underutilized medical providers to step up to the plate.

Locum tenens—temporary, substitute providers—enable urgent care centers to remain open and continue generating revenue when permanent providers are away from the center, while searching for a permanent provider, or to augment providers during busy seasons.

**Table 1** compares the benefits and drawbacks of locum tenens in urgent care.

Locum tenens providers are, typically, independent contractors who enter into an agreement to perform pre-defined services for a set period of time at a fixed daily or

hourly rate. Although practices usually reimburse direct expenses related to transportation, meals, and lodging—and staffing agencies typically provide the malpractice insurance coverage—as independent contractors, locum tenens providers are not employees of the practice or staffing agency and are therefore responsible for their own benefits, taxes, unemployment, and workers compensation coverage.

Urgent care operators can expect to pay between \$95 and \$125 per hour for locum tenens coverage, depending on the scope of practice (e.g., urgent care, occupational medicine, and/or primary care), the volume and acuity of patients, required board certifications or procedural training, and the location of the assignment.

Randy Sparks, regional vice president of Irving, Texas-based StaffCare, explains that “The more detailed the requirements for a locum, the less available matching candidates will be, and therefore, the greater effort by the agency in finding a good fit. Pricing is also highly regionalized because not only must a provider be licensed in a state—and the supply of providers varies by state—but some work

locations are just more appealing to prospective candidates than others.”

Ultimately, as **Table 2** illustrates, the value of locum tenens to an urgent care center is the difference between lost revenue and goodwill due to uncovered shifts, the direct and indirect costs paid for the locum, and differentials in productivity and quality between locums and staff providers.

Although an urgent care center can directly recruit and contract with a locum tenens provider without outside assistance, there are advantages to utilizing an agency, including a “bench” of qualified candidates to choose from, medical malpractice coverage arranged by the

agency and included in the hourly rate, and agency support of medical credentialing and licensure processes. In addition, many agencies arrange for the travel and housing needs of temporary providers.

The downside is that fees charged include the agency's operating expenses and profit margin—typically resulting in a higher hourly rate than hiring providers directly.

**Locum Tenens from a Provider's Point of View**

Medical practice has been evolving rapidly over the last 10 to 15 years, as many providers move away from the traditional full-time, private practice model to other modes of practice, including hospital employment, part-time practice, concierge medicine, and locum tenens.

When locum tenens providers first came into use, their quality sometimes was questioned. Colleagues, administrators and patients might ask, "Is there a *reason* they're *on the move*?"

Today, locum tenens practice has become widely ac-

cepted as a "lifestyle" choice—appealing to older physicians who have retired from private practice but want to stay active in their licensure, young parents desiring to spend time at home but also retain their clinical skills, and transitional providers who want to "try out" a certain practice type or geographical area without long-term commitment. **Table 3** outlines the benefits and drawbacks for the provider doing locum tenens work.

Locum tenens providers vary widely in terms of medical practice experience, although the majority are tenured physicians who see temporary assignments as a way to augment their income. According to Sparks, 67% have 21 years or more experience as physicians while less than 7% have been in practice fewer than six years. This includes veteran physicians who "moonlight" during evenings, weekends, or vacation—including many who cover the extended operating hours of urgent care centers.

Because locum tenens providers are independent contractors, they can negotiate all terms of their assignments,

**A**cute Bacterial Sinusitis:  
Management of the Antibiotic-Seeking Patient



Presents a Webinar exclusively for urgent care providers sponsored by



This promotional educational activity is not accredited. Program content is developed in combination with PriCara®. Speakers are paid to present on behalf of the company and are required to present information about its medicines in compliance with FDA requirements.

**Presenter: Don Dillahunty, DO, MPH**

CEO/President, PrimaCare Medical Centers  
Dallas, Texas

**Tuesday, July 13, 2010  
3:00 PM EST**

or

**Wednesday, July 21, 2010  
2:00 PM EST**

This exclusive 45-minute educational experience will cover:

- The need to appropriately manage sinusitis in the urgent care setting
- Differentiating between acute bacterial sinusitis and acute viral sinusitis
- The importance of considering resistance trends to commonly used antibiotics
- Prescribing in our current economic environment

To register for the Webinar on July 13, 2010, please log onto: <https://www2.gotomeeting.com/register/617962339>  
To register for the Webinar on July 21, 2010, please log onto: <https://www2.gotomeeting.com/register/506600155>



## Your partner in growing a successful urgent care center.

From start-up to grand opening and beyond, **The Lohman Group** offers a complete range of management services and solutions.

- Market Research
- Business Plan
- Site Selection
- Budget Development
- Architectural Design
- Construction Build-out
- Regulatory Compliance (State)
- Practice Management Consulting
- EMR & PM Software; Sales, Training & Support
- Coding, Billing & Collection Services
- Marketing Support
- Accounting Services
- And More!

For more information and a complete list of our services, visit [thelohmangroup.com](http://thelohmangroup.com) or call Steve Lohman at 1-800-944-0414. For consulting inquiries, contact Renee Lohman at 703-533-5534.



*The Catalyst for Change in the Urgent Care Industry*

*“Few entrepreneurial UCCs have the scale to employ a full-time recruiter.”*

including location and pay. Physicians can find locum tenens engagements on their own—through the Internet or by contacting urgent care centers directly—or they may work with one or more locum tenens agencies.

The leading reasons that physicians choose one agency over another include:

- number and location of practice opportunities
- pay rate (including malpractice coverage and benefits)
- quality of service offered (including logistics and travel)
- reputation and/or name recognition.

When a medical provider expresses interest in doing locums work, staffing agencies typically start by discussing the provider’s objectives, experience, and availability. The staffing agency also begins credentialing the provider—verifying education and licensure—and securing malpractice coverage. Once the provider is qualified to work locums, the staffing agency reviews available opportunities and circulates the provider’s credentials to those that seem most appealing.

The following are questions that a locum tenens provider might ask when considering a particular assignment:

- What is the location of the opportunity?
- What is the length of the assignment?
- What is the type of facility, how large is it, and how many (and what type of) providers work there?
- What shifts are included and how long is each shift?
- What is the average patient load and acuity per shift?
- What accommodations and/or reimbursement for travel expenses will be provided?
- What is the availability and quality of equipment and supplies?
- Which charting/billing systems are used and what training/orientation will be provided?
- What is the pay rate?

When an opportunity appears to be a good match for both the provider and the practice, the staffing company negotiates the terms of the assignment and coordinates travel details with the provider. Once engaged,

**Table 3. Benefits and Drawbacks to Providers Working Locum Tenens**

Benefits	Drawbacks
<ul style="list-style-type: none"> <li>• The ability to choose among temporary assignments leads to greater scheduling flexibility and freedom to pursue personal interests.</li> <li>• Working locum tenens provides an escape from politics and other “hassle factors” of practice ownership, such as having to pay high premiums for malpractice insurance (which is typically provided by the staffing agencies).</li> <li>• Working locum tenens provides an opportunity to travel and work in new and interesting places while living on an expense account.</li> <li>• The pay rate for locum tenens is often competitive with full-time permanent practice, with supplemental pay for travel and/or extended assignments.</li> <li>• Working in a variety of practices contributes to professional development through a diversity of experiences while providing a low-risk mechanism for “trying out” different practice types and geographical locations.</li> <li>• Being an independent contractor, locums can deduct from their taxes the cost of a home office and the business portion of telephone, computer, automobile, and other expenses.</li> <li>• Locums practice often leads to a permanent position, as both the practice and provider can assess whether the provider is a good “fit.”</li> </ul>	<ul style="list-style-type: none"> <li>• Being away from family and friends can lead to loneliness and isolation.</li> <li>• Many locums find they are unable to schedule assignments as continuously as they would like—resulting in extended unpaid periods “on the bench.”</li> <li>• As independent contractors, locums must arrange for their own employee benefits, including health insurance and retirement savings. They must also cover self-employment, unemployment, workers compensation, and other taxes.</li> <li>• The quality of an assignment may not be what the provider expected, or there may be differences between the practice style of the locum and the engagement.</li> </ul>

paign through multiple channels (including recruiting at conferences, capturing referrals from previous placements, and direct Internet and media job postings)

- thorough screening of prospective applicants through background searches, technical skill evaluations, and pre-interviews (saving time by “weeding out” unsuitable candidates)
- ability to “try out” prospective permanent hires through “temporary to permanent” programs or service guarantees such as professional fees refunded if a placement does not work out
- support with physician licensure, credentialing, and hospital privileging
- relocation assistance, including moving, housing, child-care, and even job placement for spouses. Some staffing agencies also handle immigration-related issues for international medical graduates.

the provider submits a log of hours worked to the staffing agency, which bills the practice and issues a paycheck to the provider.

**Permanent Placement: Outsourcing the Recruiting Function**

Few entrepreneurial urgent care centers have sufficient scale to employ a full-time physician recruiter. Using a medical staffing company, an urgent care center may “outsource” this vital capability—supporting the entire process of recruiting, hiring, and on-boarding.

The advantages of using a medical staffing company for permanent placement include:

- time and attention focused on finding the “right” candidate for a practice (without distraction of day-to-day operations of the center)
- consulting assistance in outlining job responsibilities, setting compensation, and defining benefits (to assure the center is competitive in the employer market)
- ability to conduct a national candidate sourcing cam-

The cost of utilizing a staffing agency for permanent placement of an urgent care physician averages \$15,000 to \$20,000, depending on the location of the center, the scope of work, provider qualifications, and other factors affecting how many providers meeting the criteria are available in the marketplace.

The cost of bringing a locum tenens physician from temporary to permanent can be even higher—around \$25,000—because the staffing agency is losing a provider it previously expected to have available for locum assignments.

Likewise, a staffing agency may require payment of its fee in whole if a practice identifies and hires a physician on its own without the agency’s assistance—the rationale being that the staffing agency still incurred recruiting and screening efforts.

Just as the nation’s provider shortage affects the ability of urgent care centers to attract and retain qualified candidates, some professional recruiters are having increased difficulty finding viable candidates for their

**Table 4. Factors to Consider When Evaluating Medical Staffing Companies**

- What is the staffing company's size? How many facilities and physicians do they represent?
  - Larger staffing companies should attract a greater pool of applicants but may also be focused on serving larger, key accounts with greater ongoing staffing needs than small independent centers making one-time hires.
  - Smaller staffing agencies may put more time and effort into placement for a single client but may be working from a smaller pool of applicants, meaning they have to work harder to find a provider who is a “good match.”
- How big is the account manager or search consultant's portfolio? What is his/her workload?
  - Does the staffing company's representative have the time and resources to provide appropriate attention to each account? An overloaded staffing professional may focus disproportionately on the “easiest to fill” positions, neglecting rural or out-of-market clients.
  - A staffing professional with a large portfolio may steer a prospective provider that may be a good fit for a small practice to larger accounts that pay greater commissions.
- What is the staffing company's geographic footprint?
  - Out-of-market staffing agencies may present candidates requiring relocation—a costly proposition that raises stakes if the placement does not work out.
  - Local staffing agencies may have difficulty attracting qualified applicants within a limited market.
- What is the staffing company's scope of services?
  - Does the firm specialize in permanent placement, locum tenens, physicians only, or nurses, administrators, and physical therapists? Some firms try to position themselves as a “one-stop shop” while others develop deep expertise within a discipline or specialty.
  - A firm specializing in permanent placement will attract providers looking for a full-time job; using such a firm to search for locum tenens may yield providers who become dissatisfied with continual short-term assignments.
- What is the longevity and exclusivity of the agency's locum tenens provider base?
  - Providers who have a long tenure with a staffing company may be more willing to assure clients are satisfied with their experience than providers who approach assignments as a “one-time deal” or work with multiple agencies simultaneously.
- What is the staffing company's reputation?
  - Ask a medical staffing company to provide references, and follow up with those references on the quality of providers, the fairness of contracts and pricing, and the level of service received.
  - Conduct Internet research to identify any past or pending lawsuits or sanctions.
- How are fees and contracts structured? When is payment due?
  - Permanent placements may be billed as a fixed fee for each placement, a percentage of the starting salary, or an hourly fee. The staffing company may incur expenses associated with the search (such as Internet ads and telephone calls), or these items may be billed back to the urgent care center.
  - Many placement agency contracts require payment of a placement fee—regardless of whether they find a candidate. This means that once contracted, if the urgent care center hires a provider through any other method (including a physician who approaches the practice directly), the center is obligated to pay the agency's fee.
  - Some agencies require a deposit or retainer up front, while others will work flexible payment arrangements with percentages of the placement fee due after the provider is with the practice after set intervals.
  - It's important to remember that all fees and contract terms are subject to negotiation. For example, many staffing agencies will provide discounts for filling multiple positions simultaneously or for long-term loyalty.
- What guarantees or service level agreements do they offer?
  - Staffing agencies that are willing to put some of their fees “at risk” for filling positions within a certain period of time—or to refund fees if a hire does not work out—may be less likely to accept searches they cannot fill while working harder to assure the right candidate for each search they accept.
  - Some staffing agencies will allow fees to be rolled over into future searches if the practice hires from another source before the agency fills the opening.

clients. As a result, many urgent care centers choose to utilize several different search firms, staffing agencies, or recruiting channels to find qualified providers. **Table 4** outlines factors to consider when evaluating a medical staffing company.

**Conclusion**

Urgent care centers are differentiated by extended evening and weekend hours, with seasonal ebbs and flows in patient volume. A national shortage of qualified

providers creates challenges for urgent care centers to appropriately match staffing levels to demand during all operating hours.

In addition, tasks related to provider recruiting and staffing can distract urgent care operators from managing the day-to-day business.

Medical staffing agencies are a resource available to urgent care operators—on a one-time or ongoing basis—to augment their own capabilities and assure all slots on the provider schedule are filled. ■