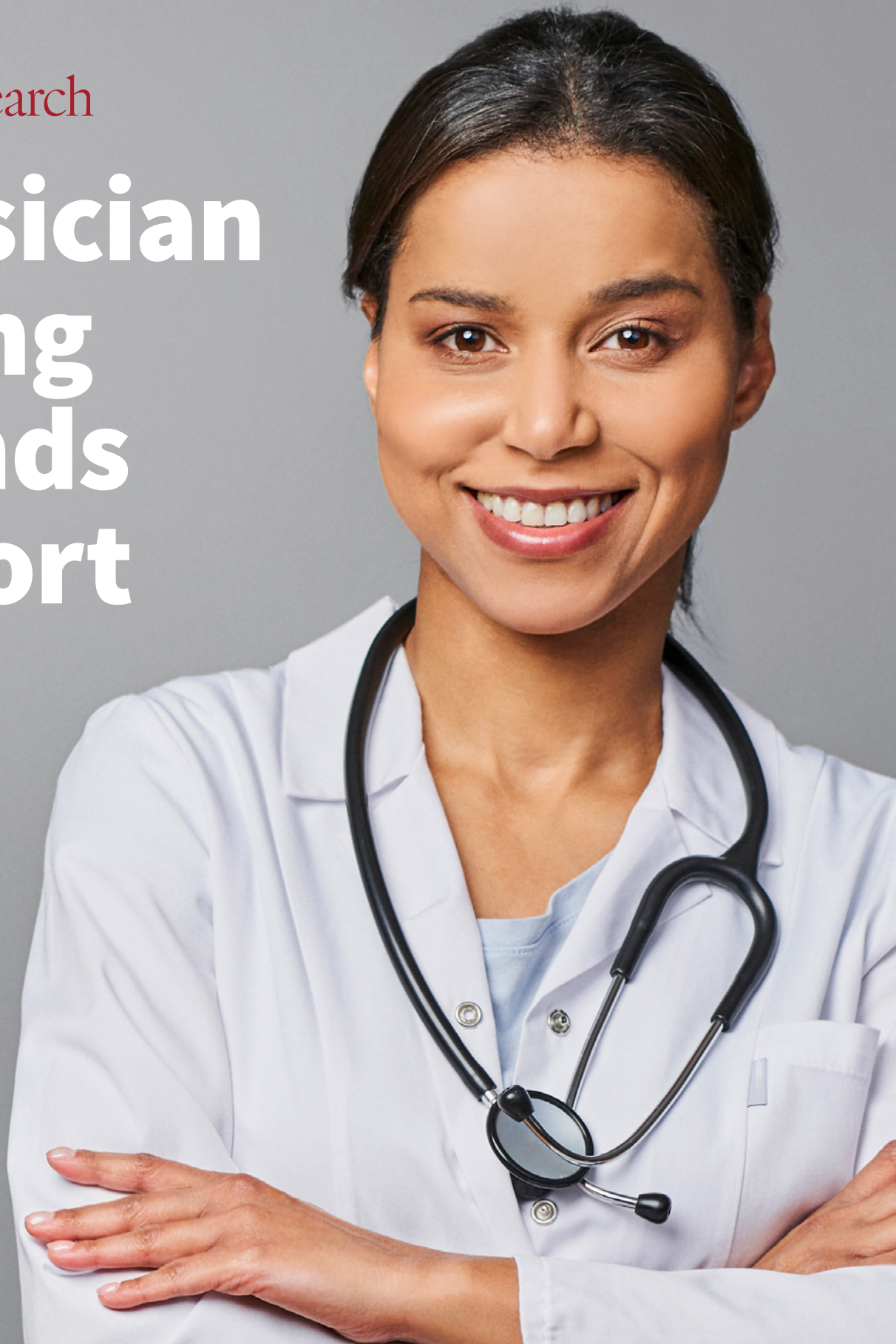


RosmanSearch

# Physician Hiring Trends Report



# Physician Hiring Trends and Insights

We're constantly monitoring the state of physician hiring for the specific specialties we serve: neurology, neurosurgery, urology, hospitalist medicine and gastroenterology. All to uncover insights to elevate hiring for our clients.

This **Rosman Search Physician Hiring Trends Report** serves as a high-level snapshot of the current state of the industry and the impact we see it having on your 2024 hiring strategy.

Here you'll find current industry research (**The Data**) along with our analysis (**The Rosman Search Take**) of what it means for you.

# Hiring Realities



## The Data

### Physician Hiring Realities in 2023



According to PwC, “**82% of healthcare execs** say difficulty attracting and retaining talent is a serious business risk.”<sup>1</sup> Given the hiring realities faced this year, it’s easy to understand why.

### Physician Shortages Persist

There remain more open positions than physicians to fill them.

- **6.5M+** healthcare pros will permanently leave by 2026, and only **1.9M** will replace them.<sup>2</sup>
- There is a projected average of **24,000+** openings for physicians and surgeons each year over the next decade.<sup>3</sup>

- With a shortage ranging from **37,800** to **124,000** physicians in the next 12 years.<sup>4</sup>

**15,800–30,200**  
for surgical specialties

**3,800–13,400**  
for medical specialties

**10,300–35,600**  
for other specialties

## SECTION 1

# Time-To-Fill, Open Searches Remain High

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Nearly half of 2022 physician searches remained open in 2023, while some high-earning specialties are taking nearly a year to fill (when you factor credentialing and licensing in addition to time-to-fill).

- The median number of active physician searches per year **more than doubled** from 2017 to 2022.<sup>5</sup>

- 2022 marked the **fifth straight year** in which the percentage of physician searches filled decreased despite the number of active searches rising.<sup>5</sup>
- According to the most recent (2023) AAPPR Benchmarking Report, **47%** of physician searches remained open at the end of 2022.<sup>3</sup>
- Longest positions to fill (defined as when a contract is signed) were in Urology (**344 days**) and Neurosurgery (**254 days**).<sup>3</sup>

# Costly to Fill Roles, Even More Costly to Leave Roles Unfilled

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To combat the negative impact of lingering physician vacancies, healthcare organizations have resorted to more expensive hiring approaches like contract labor or attractive perks.

- Hospital per-patient labor expenses have increased from **\$4,009** in 2019 to **\$5,494** in 2022.<sup>6</sup>
- Large hospitals with more than 250 beds spent **\$11 million on average** for contract labor in 2022.<sup>6</sup>
- Across the board, healthcare organizations are spending more on hiring and retention, including larger salaries, significant sign-on bonuses, and expanded benefits to attract talent.<sup>6</sup>

- These costs exacerbate the bottom-line pressure brought by lost physician income.
- The cost of vacancy for an unstaffed healthcare position averages **\$8,000 per day**.<sup>7</sup>
- A recent article on an MGMA webinar highlighted that, “The estimated lost revenue for a gastroenterologist opening that sits vacant for six months is about **\$1.4M**.”<sup>8</sup>
- These specialties generate **120%–330%** higher payments from commercial plans than Medicare: Gastroenterology **120%**; Neurosurgery **220%**.<sup>9</sup>

<sup>1</sup>pwc.com, “PwC Pulse Survey: Focused on Reinvention.”

<sup>2</sup>oracle.com, “The Shortage of US Healthcare Workers in 2023,” January 2023.

<sup>3</sup>aappr.com, “AAPPR Report Shows Demand for Physicians Reaching a New High as Staffing Shortage Continues,” October 2023.

<sup>4</sup>ama-assn.org, “Doctor Shortages are Here—and They’ll Get Worse if We Don’t Act Fast,” April 2022.

<sup>5</sup>beckershospitalreview.com, “Physician Searches Go Unfilled as Shortage Rises,” October 2023.

<sup>6</sup>fiercehealthcare.com, “More than 300K Healthcare Providers Dropped Out of the Workforce in 2021, Report Finds,” November 2022.

<sup>7</sup>healthcarefinancenews.com, “Healthcare a Hot Job Sector, But Vacant Positions Add Up,” January 2015.

<sup>8</sup>mgma.com, “Physician Shortages Forcing Medical Group Leaders to Be More Flexible in Their Staffing Models,” April 2023.

<sup>9</sup>fiercehealthcare.com, “These Specialties Get the Highest Rates from Commercial Plans Compared to Medicare,” October 2021.

## The Rosman Search Take

Filling vacant roles with full-time physicians is the ultimate goal. But when weighing the cost of leaving a position open for a prolonged period of time, it may be best to consider temporarily filling a role to preserve continuity of care (and stave off revenue loss).

Here, locum tenens talent could be an option, if used judiciously—to strategically fill roles in key high-margin areas of medicine. Given the cost per hour, the right use and fit is crucial.

As you continue searching for permanent hires, remember to always weigh costs. Turning to a third party to recruit full-time talent can also be an expensive option, but without such dedicated, focused help, your in-house recruiting team might struggle to fill positions. In the end, the cost of lost revenue and burned out physician staff could be more.

If you do opt for third-party hiring help, look for experts with a specialty focus who understand the nuances of a particular physician role and the related healthcare hiring landscape.



## SECTION 2

# State of Overall Physician Employment



## The Data

### Physician Employment Standings

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# 24,200

openings for physicians and surgeons are projected each year, on average, over the decade.

Many of those openings are expected to result from the need to replace workers who transfer to different occupations or exit the labor force, such as to retire.

While it may not be happening fast enough to stem the flow of current physician vacancies (many of which are due to burnout or retirement) there are encouraging physician employment signs nonetheless.

- Physician and surgeon employment projected to grow **3%** from 2022 to 2032.<sup>1</sup>
- Healthcare employment grew by **40,900** jobs in August of 2023, according to the latest figures from the U.S. Bureau of Labor Statistics (BLS).<sup>2</sup>
- The U.S. had just **over 1 million** licensed physicians in 2020, up **19.8%** from 850,085 it had in 2010.<sup>3</sup>
- The number of U.S. medical school students has grown **37%** in two decades, from 69,718 in 2002 to 95,475 in 2021.<sup>3</sup>
- In 2022, U.S. medical schools saw a record number of applicants—**62,443** (a **17.8% increase** from 2021).<sup>3</sup>

<sup>1</sup>bls.gov, "Occupational Outlook Handbook: Physicians and Surgeons."

<sup>2</sup>medicaleconomics.com, "National Jobless Rate Holds at 3.8% for September," October 2023.

<sup>3</sup>ama-assn.org, "Doctor Shortages are Here—and They'll Get Worse if We Don't Act Fast," April 2022.

# The Rosman Search Take

The demand for physicians and surgeons will continue to grow.

However, while signs are promising around projected job growth and the volume of students entering the medical field, the influx of new will likely not be sufficient to stem the outflow of seasoned specialists or keep pace with the medical needs of aging America.

## Consider this

- The number of Americans age 65+ is projected to nearly double from 52 million in 2018 to 95 million by 2060, making this age group **23%** of the total population.<sup>1</sup>
- People age 65+ now account for **34%** of the demand for physicians; by 2034, that will be **42%**.<sup>2</sup>

- In 2019, this age group required **280,700** physicians to provide their care. By 2034, they will need **407,300**.<sup>2</sup>
- In terms of the impact this will have on physician hiring, we see the coming years as being even more competitive—especially when searching for high-caliber, niche specialists. The key to finding top talent will lie in who you know, and who you partner with.

Physician resources are more finite than ever. Working with a staffing expert in your specialty field allows you to connect with a greater volume of quality resources faster, ensuring your physician roster delivers excellence in patient care and greater revenue returns.

<sup>1</sup>prb.org, "Fact Sheet: Aging in the United States."

<sup>2</sup>aamc.org, "Aging Patients and Doctors Drive Nation's Physician Shortage," June 2021.







# Specialty Focus

## The Data





Across the specialties we serve, we're seeing similar findings to those for the general physician population. Here is a snapshot.

### Projected Shortages by 2025

	Neurologists	<b>3,380</b> <sup>1</sup>
	Neurosurgeons	<b>1,200</b> <sup>2</sup>
	Urologists	<b>3,600</b> <sup>3</sup>
	Gastroenterologists	<b>1,630</b> <sup>4</sup>

### Retirement Concerns

#### As of 2021

-  **49%** of active neurological surgeons were over 55.<sup>5</sup>
-  **59%** of active neurologists were over 55.<sup>5</sup>
-  **53%** of active urologists were over 55.<sup>5</sup>
-  **50%+** of active gastroenterologists were over 55.<sup>5</sup>

#### As of now

-  **72%** of urologists are over the age of 40.<sup>6</sup>
- 48.2** is the average urologist age.<sup>6</sup>



## SECTION 3

# Employment Outlook

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### Neurosurgery

- According to the National Resident Matching Program, there are **115** neurological surgery residency programs in the U.S. with **243** positions offered.<sup>7</sup>
- However, in 2023 **~36%** of med students applying for neurological surgery did not match.
- Between 2016 and 2026, job growth for neurosurgeons is projected to increase by **14.4%**.<sup>8</sup>

### Neurology

- According to the National Resident Matching Program, there are **146** neurology residency programs in the U.S. with **846** positions offered.<sup>7</sup>
- However, in 2023 **~46%** of those applying for neurology did not match.
- Between 2021 and 2031, an estimated **3%** job growth will occur for neurologists.<sup>9</sup>
- By 2025, demand for neurologists is projected to increase to **21,440**.<sup>1</sup>

### Urology

- In 2023, 383 vacancies in **145** urology residency training programs were matched with **75%** of trainees in the Urology Match program.<sup>10</sup>
- Urologists are the **fifth most** in-demand physician specialists.<sup>11</sup>

### Gastroenterology

- The annual number of available training positions in the Gastroenterology Match increased from **325** to **616** from 2008–2022.<sup>12</sup> The annual number of applicants increased **57%** in the same period.
- Gastroenterologists are the **fourth most** recruited physicians<sup>13</sup> and are the most in-demand physician specialists.<sup>11</sup>
- Employment opportunities will expand in the next 10 to 15 years as a large number of gastroenterologists reach retirement age.<sup>14</sup>

<sup>1</sup>aan.com, "The Doctor Won't See You Now? Study: US Facing a Neurologist Shortage," April 2013.

<sup>2</sup>beckersspine.com, "Neurosurgery to Be Down 1,200 Physicians by 2025," January 2022.

<sup>3</sup>solarishealthpartners.com, "Private Equity and Urology: An Emerging Model for Independent Practice."

<sup>4</sup>bhw.hrsa.gov, "National and Regional Projections of Supply and Demand for Internal Medicine Subspecialty Practitioners: 2015-2025," December 2016.

<sup>5</sup>aamc.org, "Active Physicians by Age and Specialty 2021."

<sup>6</sup>zipppia.com, "Urologist Demographics and Statistics in the US."

<sup>7</sup>nrmp.org, "Advance Data Tables: 2023 Main Residency Match®."

<sup>8</sup>bestaccreditedcolleges.org, "What Is the Expected Job Growth Rate for Neurosurgeons?"

<sup>9</sup>bls.gov, "Occupational Outlook Handbook: Physicians and Surgeons."

<sup>10</sup>prnewswire.com, "Hundreds of Future Neurologists Celebrate Match Day 2023," February 2023.

<sup>11</sup>beckersasc.com, "Gastroenterologists are the Most 'In-Demand' Specialty, Report Finds," July 2022.

<sup>12</sup>gastroenterologyadvisor.com, "Growth in Gastroenterology Training Positions Exceeds Rates for Applicants," August 2023.

<sup>13</sup>beckersasc.com, "Top 10 Most-Recruited Physicians—Gastroenterologists are No. 4," January 2022.

<sup>14</sup>vault.com, "Gastroenterologists."

## The Rosman Search Take

Our biggest takeaway from these specialty trends? As a healthcare organization, you need to be connecting with residents AND fellows much earlier than you are today.

Even if you don't have current openings, making in-roads and developing relationships with up-and-coming talent positions you for future hiring success. The most efficient way to ensure you get in front of this audience is by working with a staffing partner who has already established a network of prospective new specialists.



# Overcome Physician Hiring Roadblocks with Rosman Search



## Three Best Practices We Recommend for Recruitment Success

### **1** Effective Recruitment Team and Contact Person

Establishing a well-organized and effective recruitment team is crucial. The recruitment process must be a coordinated effort involving all players, which can include the primary contact person, in-house recruiter, independent search firm, current physicians, hospital administrators, and community contacts like a realtor. The primary contact person is especially critical as they are responsible for making a positive first impression on candidates and must be quick, enthusiastic, and skilled in communication.

### **2** Competitive Offer and Strategic Planning

Ensure the offer to potential candidates is competitive and aligns with market standards. This includes conducting thorough market research and benchmarking to understand the compensation standards in the field. Equally important is strategic planning for the success of the new hire in the practice, which involves outlining practice development plans, patient volumes, referral sources, and potential research opportunities. This helps candidates understand their potential for growth and success within the practice.

### **3** Orientation and Retention Focus

After successful recruitment, focus on the effective orientation and retention of the new physician. This involves providing mentorship, introducing the physician to key staff and referral sources, and integrating them into the community. Ensuring that the new physician and their family feel welcome and supported is essential for long-term retention and the overall success of the practice.



## Looking Ahead

The physician hiring landscape will remain challenging for the foreseeable future.

As the general population ages in lockstep with the physician population, demand for care will skyrocket as specialist availability steeply declines. Now is the time to staff, and retain, as many physician roles as possible—which is easier said than done.

Some open positions take little time to fill. Other roles in niche fields like gastroenterology, neurology, and urology, may take months or years to staff—at great cost to a healthcare organization and the patients it serves.

If you're struggling to fill specialist roles, we can help. To learn more, visit [RosmanSearch.com](https://RosmanSearch.com) or reach out to us at (216) 906-8188.

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