



Breaking Down the Expense: The True Cost of Physician Vacancies

Each day a specialist physician seat is empty, hospitals and practices lose more than professional fees—they lose downstream revenue, OR/procedure volume, and patient retention. The longer the gap persists, the more likely referral patterns and market share permanently shift to competing systems.

Lost revenue for specialty physicians can rapidly snowball. According to the **Association for Advancing Physician and Provider Recruitment (AAPPR) 2025 Benchmarking Report**, fewer than 39% of specialty physician searches for neurosurgery, neurology, gastroenterology, and urology were able to be filled by in-house recruiters. For example, only 37% of searches for neurologists were filled and only 28% of neurosurgeon searches.

In addition, many specialty positions take months to fill. For example, gastroenterologist searches on average take just under four months, and urologist searches are taking roughly 11 months! The combination of a lengthy time-to-fill (TTF) and a high share of roles remaining unfilled creates a challenging hiring landscape.

It can cost a significant amount of revenue to leave a position unfilled, even temporarily. The cost of vacancy for an unstaffed healthcare position averages \$8,000 - \$10,000 per day, although figures vary according to the specialty (see chart below). If left unfilled for weeks or months, an open role can quickly become a significant expense.

What is Lost When Physician Vacancies Remain

The struggle to fill permanent and interim physician positions shows few signs of easing.

National Center for Health Workforce Analysis (NCHWA) findings show, "The projected supply of physicians... is expected to be inadequate to meet 2038 demand, including shortages in urologists (by 2,260 FTEs), neurologists (by 1,130 FTE's), neurosurgeons (by 960 FTEs), and gastroenterologists (by 370 FTEs)." Fewer available candidates means longer vacancies, higher comp pressure, and more reliance on interim coverage.

SPECIALTY	COST PER WEEK
Neurosurgery	\$66,000
Gastroenterology	\$57,000
Hospital Medicine	\$52,500
Urology	\$42,000
Neurology	\$39,000

Source: Merritt Hawkins, *Physician Inpatient/Outpatient Revenue Survey*.

When positions remain vacant, even for a short time, the cost of the loss can quickly add up. If time-to-fill is reduced by just one week, the recaptured revenue for many specialties will exceed the search fee.

A Medical Group Management Association webinar highlighted that “The estimated lost revenue for a noninvasive cardiologist opening that sits vacant for six months is about \$1.15 million, \$1.4 million for gastroenterology, and \$1.6 million for ophthalmology.”

As momentum is lost from canceled procedures or procedures “leaking” to another hospital, making up those margins remains a significant challenge—one that consistent understaffing only worsens.

Lost Reimbursement

In addition to direct revenue from patient care, physicians also contribute to an organization's income through Medicare reimbursements and commercial insurance plans. Given that Medicare physician payments have greatly declined (33%) from 2001 to 2025, every reimbursement dollar becomes that much more important.

According to Fierce Healthcare, the following specialties generate higher payments from commercial plans than Medicare rates:

220% Neurosurgery

140% General Surgery

120% Gastroenterology

That could mean thousands lost for one canceled surgery, making even a week-long physician vacancy an expensive one.

Lost Reputation

Harder to quantify, but no less important, is the impact that vacant roles have on a healthcare organization's reputation. Today's patients are empowered to be selective about where they receive care, and patient perception is reality.

If word gets out that ER times are excessive due to a staffing shortage, patients will naturally assume that shortage extends to other areas within the healthcare organization. By extension, patients will be more likely to seek treatment elsewhere, where they feel doctors can devote time to ensuring quality care.

Likewise, suppose patient satisfaction scores decline due to overworked, understaffed conditions. In that case, reimbursements decrease, and the resulting negative ratings impact where future patients decide to receive healthcare, amplifying the potential negative impact of your unfilled role. Recruiting gets harder as well.

A simple way to estimate vacancy exposure

Weekly revenue at risk (your specialty estimates)

+

Downstream/procedure leakage (imaging, anesthesia, hospital stays, infusion, pathology, etc.)

+

Ramp time after hire (credentialing + schedule build)

=

Total financial exposure of a vacancy

A Recruiting Firm Can Balance Costs

For certain roles, a short-term vacancy will not greatly impact a hospital or health system's bottom line. For other roles, the financial impact is immediate.

It's important for healthcare organizations to weigh the cost of a physician vacancy against the cost of retaining a recruiting firm to staff core specialist roles. Many times, turning to an agency pays for itself in the revenue accrued from a position that's filled sooner, and helps better preserve continuity of care.

If a search firm can help fill your vacancy even one week faster than you can on your own, the search will have paid for itself. The alternative, if you go for months at a time without qualified candidates, is millions of dollars in revenue missing from the bottom line.

In addition to financial impacts, there are additional vacancy-related costs we haven't touched on, the most significant being the price of burnout and turnover for physicians forced to pick up the slack created by understaffing.

Underperformance due to fatigue and stress can negatively impact patients and result in litigation-worthy errors. High turnover increases the odds that patient care will be curtailed, or paused, creating an even greater revenue gap, while the resulting administrative costs of yet another job search increase incrementally.

We're Here to Help

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If you're struggling to fill perm or locums specialist physician vacancies, time is of the essence. Find out more about how working with a recruiting partner can pay off.

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