

Go beyond staffing

Imperative 1: Economic power of the physician



CHG[®]
Healthcare

Section 3

Economic power of the physician

Aligning performance and financial sustainability

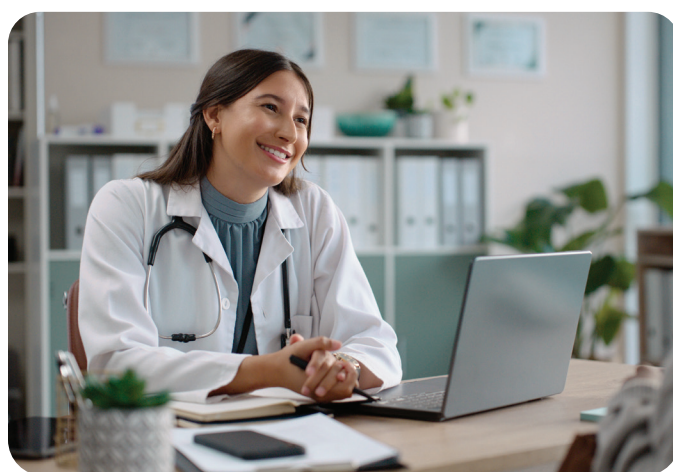
Recognize and invest in physicians as the economic engine of healthcare, central to margin preservation, innovation, and long-term sustainability.

Physician disengagement disrupts continuity of care, weakens team cohesion, and increases patient churn. It's a margin issue, a quality issue, and a growth issue all at once. The American Medical Association estimates that physician burnout contributes to over \$4.6 billion in annual costs across the system, much of which could be mitigated by more structured engagement and support.¹⁴

According to Kaufman Hall's 2025 Physician Flash Report, each full-time employed physician generates a median net revenue of \$255,000 – \$498,000 annually, depending on the specialty.¹⁵ But when health systems lose even one primary care physician, it can result in \$900,000 in lost revenue annually.¹⁶

That's factoring in recruitment, onboarding, and lost productivity. More important, though, is what's lost in clinical continuity, leadership, and trust.

In certain specialties, deploying locums can generate revenue faster than waiting for another permanent hire to support the team—especially when permanent recruitment can take up to 200 days or more. For instance, a family medicine physician generates about \$1.5 million in annual total revenue for a hospital, and their loss can mean a loss of \$130,000 per month until the vacancy is filled.¹⁷



By embedding locums strategically, healthcare organizations can capture otherwise lost revenue during recruitment gaps and seasons of burnout—turning what was once viewed as a temporary expense into a rapid revenue continuity solution. Flexible locums utilization alleviates pressure on core clinical teams, reducing burnout and supporting retention. Locum tenens isn't just a coverage fix; it's a strategic lever for a more resilient, profitable system. But today, nearly 70% of health systems view locums usage as either minimally beneficial or purely a cost center.

Austin Chatlin, senior director of Advisory Services by CHG Healthcare, emphasized that locums should not be thought of as a reactive, high-cost solution. Instead, he says they can also enable rural health access in regions with limited pipelines, help mitigate risk while launching new

service lines, and support hybrid care models that make care more accessible. Locums offer a flexible lever to test, adapt, and enhance care delivery.

“Especially in markets where there are perceived physician shortages, we need additional strategies to extend the physicians’ reach and manage larger panels,” says Advisory Board director of physician and medical group research. “What we’re seeing in the marketplace right now are a lot of pilot... virtualist-only models, job sharing, alternate hours. But very few organizations have figured out how to do that at scale and in any type of systematic way.”

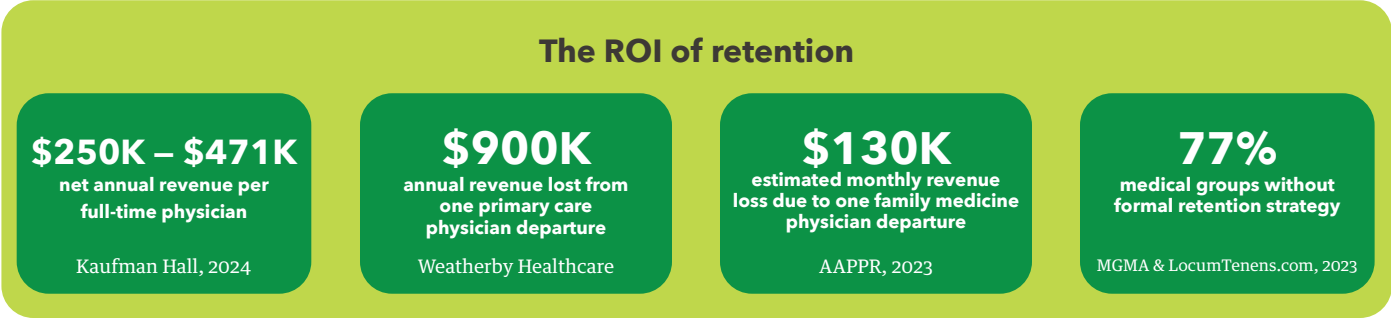
Yet, many systems underinvest in these structures that promote long-term physician alignment. Instead of treating engagement, development, and retention as levers of growth, they’re often viewed as soft benefits, addressed after operational gaps are filled. That miscalculation leads to reactive strategies, revolving-door staffing, and burned-out clinical teams.

Instead of interchangeable labor units, physicians must be positioned as the keystones of enterprise performance—essential to clinical quality, patient experience, and financial sustainability. Retaining and engaging physicians is a strategic priority that demands new infrastructure, smarter deployment models, and a culture where providers can thrive.

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Executive takeaway

Physician retention and engagement are essential to protecting revenue and sustaining performance—but so is how you bridge the gaps. Strategic use of locum tenens transforms what was once seen as a cost center into a revenue-preserving, burnout-preventing lever that supports continuity, expands access, and builds long-term system resilience.



CHG Healthcare's physician-founded innovation: From frontline to infrastructure

CHG Healthcare was founded more than 45 years ago by two physicians who understood firsthand the challenges of healthcare staffing and physician workforce management in underserved rural areas. Out of that experience came a breakthrough: the invention of the locum tenens model, which created flexible, temporary physicians to bridge clinical gaps, expand access, and serve underserved communities. Their aim was to empower healthcare organizations to deliver better patient care by optimizing how and where clinicians worked.

From day one, CHG Healthcare has placed provider welfare and community impact at the heart of its purpose: to empower clinicians and connect them with patients who might otherwise have limited or no access to care. Their physician-led origins inform a deeply clinician-centered approach: CHG Healthcare's technology—Modio, Locumsmart, Nursesmart, and CHG Connect—are designed not just to staff beds but to drive better patient outcomes by matching the right people to the right place at the right time.

This physician-led foundation gave CHG Healthcare a unique, clinician-centered lens from the outset. Unlike firms that approached staffing purely as a logistical or transactional service, CHG Healthcare was born out of a deep understanding of what providers need to succeed and health systems require to thrive.

This origin story continues to shape CHG Healthcare's ethos today.

“Our platforms were built with the provider in mind, first. That mindset came from having physicians at the table from day one.”

Scott Boecker, chief growth officer

Rather than designing solutions in a vacuum, CHG Healthcare's technologies—including Modio, Locumsmart, and CHG Connect—are grounded in clinical realities. By prioritizing usability, speed, and provider autonomy, these tools reflect the organization's belief that physicians should be active participants in how care is delivered.

The result: digital infrastructure that supports faster onboarding, smarter deployment, and better alignment between provider capacity and patient need. Because these tools are shaped by those who know the work, they contribute not only to physician retention but to a broader culture of innovation that positions CHG Healthcare as a trusted partner in physician-led clinical workforce transformation.

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Let's connect

Schedule a workforce strategy session or risk assessment consult with a CHG Healthcare physician workforce strategist. We'll evaluate your physician workforce, capture unrealized care opportunities, and provide insights on how to better manage your provider pool.

866.570.9920 | ecs.contact@chghealthcare.com