

EPISODE 5.17 | APRIL 30, 2025

LOCUM TENENS UNCOVERED: INSIGHTS FROM INDUSTRY EXPERT CORY KLEINSCHMIDT (PART 2)

David Mandell:

Hey, folks, welcome to the episode. I'm David Mandell, the host. Thanks for joining us, either here on YouTube and looking at me, or more likely, most of you are on the podcast platforms and listening. This is part two of a dive into locum tenens. We've got Cory Kleinschmidt back on. For those of you who didn't listen or watch, or can't remember his bio, I'm going to give you that now. Then we'll bring him on and continue our conversation. If you missed the first one, go back and listen to that. We talk about where locums comes from, both the term, you can get some history on that. It goes back to the 1500s. But also, we get into what the industry is, what kind of specialties are quite common in there and which ones are growing, what folks have to look out for, and a little bit about the trend in the industry big picture.

Today we're going to talk about let's say you want to get started in this. What are some things that you should know about, and what are some success factors or red flags to avoid, digging into real specifics for physicians. Let me tell you about Cory first. Cory is an entrepreneur and longtime industry veteran who has worked for and consulted with multiple locum tenens staffing agencies of every size and in various roles over the past 23 years. He also has a physician son, at least one, in training. We talked about that in episode one.

Most notably, Cory served as a director of digital strategy for Jackson Healthcare and VP of marketing for Interim Physicians. During his tenure at Jackson, he created the in-house marketing services division, helped name the organization, and architected and managed the locumtenants.com job board, which execs have credited for being the engine that helped It.com grow into the powerhouse it is today. He's the founder and operator of Locumpedia, the locum tenens industry platform. We also talked about that a lot in episode one, and the No BS Guide, which we'll link again in this episode show notes as well. But you can go back and listen to what that's all about as well.

With that, Cory, welcome back.

Cory Kleinschmidt:

Good to be back with you, David. Thank you.

David Mandell:

Excellent, okay. This episode is going to be a little bit more in the weeds about I'm a doc and I'm interested in this. What's the first thing a doc should do if they want to venture into locums work? Where would they start?

Cory Kleinschmidt:

Well, it's potentially a fairly long laundry list of must-do items before getting into locum tenens.

David Mandell:

First got to locumpedia.com, that's where to start. [inaudible 00:03:01].

Cory Kleinschmidt:

Yeah, go to Locumpedia. That's where I was going to start, of course. Thank you for the plug.

David Mandell:

Yeah.

Cory Kleinschmidt:

But in all seriousness, our mission is to demystify locum tenens for providers. The No BS Guide is a handbook for everything you need to know about getting into it. Of course, getting into it is like anything you're starting out with that's complex, and has a lot of details and moving parts. It takes time to really get your hands around

everything. Of course, because it relates to a physician's career, you want to do your diligence before taking the plunge. Doing so upfront, like so many things in life, coming up with a plan leads to more success later on. To develop that plan, you want to get out there and absorb as much information as you can about what this kind of medical practice entails, what the business considerations are, how it can dovetail with your own life ambitions about starting a family or deciding where to settle. Definitely read as much as you can upfront, not just the No BS Guide, but there's a lot of other really valuable sources.

On Locumpedia, we do publish a biweekly news roundup we call Locum CME, locum tenens continuing medical education. Where we round up the most important news within the industry, related industries such as artificial intelligence, we cover that pretty heavily because it is going to have such a huge impact on medicine in the future. Obviously, it's going to effect all aspects of society and business. But it has a pretty particular application when it comes to medical care, so it's changing rapidly. We think it's important to chronicle the evolution of AI and how docs are using it and best practices that are emerging. We really cast a wide net to bring physicians these news round ups. We put a lot of effort into them and we get a lot of good feedback on them.

We also have a newsletter docs can sign up for to get our new issues delivered by email, as well as any other stories that we publish. It's a constantly changing thing and we're the only one really doing this, chronicling the industry's evolution and growth for providers.

Beyond that, like anything, you want to talk to people who have done it. Getting firsthand testimonials and experiences from other physicians who have tried locum tenens. Learn about what worked for them, what didn't work for them, what it's like to work for a staffing firm. What it's like to be away from your family potentially, for what could be a fairly lengthy amount of time. All kinds of things what goes into what makes locum tenens work. It's not just knowing how it works, but also understanding what it means to you and how it can complement your career path, and whether you want to take that route or not.

But there's a lot of business considerations as well. We touched upon in a previous episode, where doctors who work on a locum tenens basis are essentially independent contractors, they're freelancers.

David Mandell:

Right. Yeah, we talked about that.

Cory Kleinschmidt:

If you're a freelancer, you may be familiar with gig work. Professionals who do gig work are responsible for paying their own taxes because they're not working for an employer holding them out. Obviously, a lot of docs do locums as a side hustle or moonlighting, and things like that. They have their existing taxes held out from their full-time jobs, but also then need to understand what it means for them to have this side income.

A lot of docs actually start LLCs.

David Mandell:

That's right. I remember you talking about that, yeah.

Cory Kleinschmidt:

Yeah, so they can get a good start taking advantage of the tax breaks that come with business deductions, and things like that. You want to learn as much as you can about the business considerations.

David Mandell:

Let me ask you about the agencies. We talked a little bit about that in the first episode, there's really three main parties. There's the physician, there's the locum tenens agency, which is the staffing agency, and then there's the ultimate employer, even though you're not getting employed, you're contracting.

What one piece of advice from sorting through the hundreds of agencies, meaning are you going to the job and then whoever's associated with the agency, it's important to connect with the agency first, see what jobs they have? How does a doc get through evaluating and figuring out what agency I want to work with, if any?

Cory Kleinschmidt:

Well, some docs do work locum tenens directly for facilities. It's not terribly common, but it is possible. In fact, we're working on a story with a client where the full-time W2 radiologist, again continuing the radiology theme of our discussion, converted from a W2 employee to a locum tenens 1099 independent contractor. It is possible to go direct with the employer, although it is not nearly as common as going through a staffing firm.

It's like anything you think about when it comes to concierge service. You could do a lot of things on your own, but there's a lot of benefits and a lot of pros in offloading. We do our groceries on Instacart. We can go to the grocery store and buy them if we have to, but for a small fee we can have them come to us and it's a service that we can take advantage of to save ourselves time and hassle. The staffing firms really handle, and I mean all of the non-clinical aspects of medical practice. You sit back, and relax, and let them do the work, let them find the jobs for you. That's typically how it goes.

David Mandell:

Typically, you as a physician would say, "Hey, I got recommended by another doc to this agency." Now I'm going to work with this agency. You're going to say, "This is the kind of jobs I'm looking for, Northeast, Southeast, one day a week, one month at a time," whatever the parameters are. Then they go out and will come back to you with opportunities. Is that normally how it works?

Cory Kleinschmidt:

That's exactly right, yeah. The staffing firms, they're broken down by two different divisions. They have the recruiting division, which is the one that interacts with the doctors, presents opportunities to them, asks them if they're interested in learning more. There's no such thing as an application, a job application. It's more about

expressing interest, more like a lead for the agency. The position become a lead, basically to continue the conversation. Because these jobs are obfuscated, they don't want to give away where the hospital is located because-

David Mandell:

You can go to them.

Cory Kleinschmidt:

... that's how the staffing firm makes their money, by representing that opportunity to the physician. If they publicly identify where ... It's a dance of sorts.

David Mandell:

Right.

Cory Kleinschmidt:

They don't want to give away too much information because that's a proprietary business info. They don't want their competitors to swoop in and say, "Hey, we'll charge less to fill this job." That's how it works from that perspective.

Like you mentioned, David, it's a large and growing industry now. Estimates are that there are 200 locum tenens agencies, so that can be daunting to figure out where to start. As with so many other things, when you're deciding what to purchase, look at the online reviews of other experiences from docs who've worked with that firm, talk to colleagues. See what their experience is, whether they would recommend the firm they worked with or not. There are large staffing firms, there are small firms, there are specialized firms that only ... We work with a company that only does oncology staffing.

David Mandell:

I see.

Cory Kleinschmidt:

There's an ear, nose, and throat.

David Mandell:

Right.

Cory Kleinschmidt:

Laryngology staffing firm. There's a number of anesthesia-specialized firms.

You want to think about what's important to you. Do you want to have a more personal touch? Then maybe you want to go with a smaller agency. If you don't really care about that, you just want little as interaction as possible, then maybe a larger firm that represents more opportunities and can deliver a new assignment, a locum tenens assignment quicker, maybe that's way to go.

But there's no one size fits all thing. A lot of these agencies say they staff all specialties. In reality, you can look and see which jobs they have more of and that tends to be the kinds of opportunities they have on a more regular basis. Feedback, like anything, if you're working for a larger company, you'll often hear that it's more of a numbers business to them. At least, that's the perception by a lot of doctors who've worked with these firms. The critique is that it's a transaction for them.

David Mandell:

Yeah. You're a revenue-producing unit and they can put you in, et cetera. They're not trying to get to know you personally.

Cory Kleinschmidt:

Right.

David Mandell:

One other thing you mentioned there, I wanted to jump in, was you said no application. But there is a need to put together a resume or a CV. Some of those things do matter, right? Those are some things that the doc's going to need to put together to put their best foot forward, isn't that right?

Cory Kleinschmidt:

That's correct. The CV, obviously all doctors have CVs, if you want to get into locum tenens work, there's a specific format that you want to follow in structuring a CV. You want to list obviously the standard stuff, like your medical education, where you did your internship, fellowship, all that good stuff. Any certifications that you have, special skills. But the locum tenens format is really focused on the work history. You want to document everywhere you've worked, be very specific with the dates. You want to have references on there. Who you worked with, who can vouch for you. There are some templates you can find online that'll get you started.

That really helps the recruiter at a staffing firm know who you are, know how to sell you.

David Mandell:

Right.

Cory Kleinschmidt:

You need to tell them, give them the tools that they can sell you with, if you want to look at it from that perspective.

David Mandell:

Right.

Cory Kleinschmidt:

You're an asset. You bring a lot to the table. Here's what you offer. Arm them with the information they can take to the hospital and say, "Hey, we've got this guy or woman who has a lot of experience with intubation," or whatever it might be within a specialty, a special skill. That's something that can help you get a job faster. Tell your story utilizing a standard format and that really can go a long way to helping you succeed in locum tenens.

David Mandell:

Yeah, that makes sense. Another thing I saw, and again, I keep coming back to the last episode. But I started this with my father spent a good portion of the second-half of his career doing a lot of locums work around. I told the story about him and my mother, and they worked from a number of states. My parents relocated from Massachusetts and Rhode Island where I grew up to Florida. Changing the licensing, getting credentialed in Florida, and then a bunch of other states where he wanted to go work. It made him valuable because they were willing to do these jobs and also had the licenses.

If someone's getting into locums, tell me about that. Obviously, if they're in California or a big state, they might say, "Listen, I'm only going to work in California where I'm already licensed and I'm looking for jobs in California," and that makes sense. But I imagine there's a lot of folks who, if they really are making this a strategic business decision, it makes sense to invest some time and some money to get licensed in other states so they can get more job offers, more opportunities. Especially if they reside in a small state, where there just isn't that. What's your experience in that? How much do they have to do that on their own? How much does the agency help them? Because I know that's a lot of paperwork and headaches, and you're dealing with state governments at that point, getting the licenses. Give me your two minutes thoughts on that.

Cory Kleinschmidt:

Sure. Yeah, you're absolutely right. Locum tenens is great, being able to travel. If you're into skiing, to be able to travel to Utah or Colorado, and practice on the

weekends while you are at work during the week and ski during the weekends, you have to be licensed in Colorado. It does take a long time to get licensed in states. But there's a couple of things that are happening that are making that process somewhat easier.

Obviously, when you're starting out, do your research. One of the questions to ask yourself is, "Well, where would I want to work?"

David Mandell:

Right.

Cory Kleinschmidt:

"What's important to me in my life? Do I want to spend winters at the beach?" Well, you have to do your homework and prepare for that, and a key part of that is getting the license there.

David Mandell:

Right.

Cory Kleinschmidt:

One of the things that's changing, as you mentioned, David, is that a lot of agencies are seeing the value in assisting doctors with their licensure. If a staffing firm is offering to assist with that, you should consider taking them up on it.

My impression is that that really only happens with doctors that an agency has a good relationship with, or a work history with. Maybe the doctor has done six locum tenens assignments over a year or so and they're a known quantity, reliable, and all that. Maybe they have a client they're working with that can't get enough emergency medicine docs, and maybe they say ... A lot of times, the actual hospital will also assist with licensing.

That's something to look into after you've gained more experience. But build toward that if that's important to you to practice in different states. That can really go a long way to maximizing what's called in the industry the locum tenens lifestyle. Like anything, you have to do your homework to achieve it.

David Mandell:

Right.

Cory Kleinschmidt:

Once you've done it, it's really phenomenal.

The other thing is there's something called the Interstate Medical Licensing Compact, the IMLC. This is as it sounds, it's a compact among different states that ... I'm not 100% sure what relationships are, but let's say you're licensed in New Jersey but not in New York, but because they're so close together, those states have a relationship that they understand how Jersey's state licensing board operates. They know it's above board, so to speak. They think they understand that their standards are pretty equivalent to what you'd expect in New York. I think there are maybe 30 states now, so it's grown and more states join every year. If you're licensed in one that, it's reciprocal often times in another state, so that's something to look into.

David Mandell:

Yeah, for sure. I know as an attorney, that's the case with bar membership. There's, I don't know how many numbers, but it's maybe about half the states have reciprocity. Of course, the states that you would think have the most attraction for whatever reason, like a California or a Florida, are not part of that. You have to retake the bar if you are going to ... It's a whole major process, it's not like the medical license. It's better than that. You don't have to go retake the board, although there may be some tests involved. But again, do your research. I think one of the things you've been saying in both these episodes and it makes sense, this is a lifestyle in some ways. This is goal, this is a personal how do you want to live decision. You can get ahead of that if you think that you might want to be in the mountains, start that process early. Know that that's just part of your business plan for getting into this area of medicine.

Let's say now, you've found an agency that you like, they've gotten you out for opportunities. You've licensed in that state, or maybe it's somewhere else in your same state. Now they say, "Okay, you've got a job." There's some kind of contract, I assume, that comes along? Is there something that they need to review, have reviewed? Does that come from the ultimate hospital or employer, or is that already taken care of by the agency? What's involved in that kind of deal?

Cory Kleinschmidt:

Yeah, great question. Before I address that, I wanted to just briefly mention the credentialing and licensing aspect of it.

David Mandell:

Sure.

Cory Kleinschmidt:

Also, what the staffing firms will do is they'll handle your credentials.

David Mandell:

Once you're licensed in the state, let's say, they'll work on getting you credentialed for that position?

Cory Kleinschmidt:

Right. It's unique to the facility. You have to be credentialed not in the state, you have to be credentialed at that facility.

David Mandell:

Right.

Cory Kleinschmidt:

You have to repeat that process with every facility you work, where you work a locum tenens assignment. That's, again, a value add that the agency provides. They will take all of your credentials, all your paperwork, your documents, and they will run background checks, and they will thoroughly vet a provider to make sure that they have a clean malpractice history. Or if there is a history, there's an explanation behind it. There are a lot of moving parts with the paperwork there. But again, the doctor just needs to turn it all over to the staffing firm, and then they'll take it from there and work with the facility to get that provider credentialed.

David Mandell:

I know we're going to get to the contract in a second. Related to the credentialing, in insurance, is that typically also provided as part of the deal? I'm coming to work at hospital X for three weeks, they cover, or not only cover the cost, but actually put in place the insurance so I don't have to go shop around and try to find a three-week insurance policy for this hospital? Is that right?

Cory Kleinschmidt:

Correct. Again, the agencies will handle everything except the non-clinical work, including medical malpractice coverage.

That's another thing you want to ask. Providers will want to ask the staffing firm is what kind of malpractice coverage they offer. There are a couple of different kinds, which not all firms offer the same kind.

David Mandell:

Right.

Cory Kleinschmidt:

That's something to look into. But generally speaking, yes, the doctor will work under the policy that the staffing firm has with the malpractice-

David Mandell:

Got it. Okay, interesting.

Cory Kleinschmidt:

... carrier.

David Mandell:

Okay. Normally, they might have to say, "Okay, what kind of policy you have?" Ask that question and make sure that they're okay with it, but they don't have to go shop around. It should be something that is provided as part of the turnkey program. Okay, yeah.

Let's get back to the contract for a second. There's some kind of contract. Is there negotiation? Is it just sign here? How does that typically work?

Cory Kleinschmidt:

Yeah, there often is negotiation. They're typically called locum tenens agreements. They are contracts, they're legal documents. The contract, the agreement is between the staffing firm and the doctor.

David Mandell:

I see.

Cory Kleinschmidt:

Not with-

David Mandell:

That's the parties, okay.

Cory Kleinschmidt:

Yeah. On the other side, the staffing firm, they do have a contract with the healthcare-

David Mandell:

They might have a master agreement with the employer that covers all their deals, all the people they're going to bring in. But you're going to sign, as a physician, an agreement with you and the staffing agency generally.

Cory Kleinschmidt:

That's right. That's right.

David Mandell:

Okay.

Cory Kleinschmidt:

There is negotiation involved. The business model for the industry is very simple. Just to boil it down to its essence, if the staffing firm is charging a hospital \$100 per hour, the average is much more than that. It's probably 200 to-

David Mandell:

Let's just call 100 just to keep the numbers even.

Cory Kleinschmidt:

... 300 per hour. Then in turn, it's a margin business, the staffing firm then pays the doctor a percentage of that. The margin differs depending on the staffing firm. Back to the larger agencies, they tend to play more hardball and have a higher margin between the bill rate and the pay rate spread. If the staffing firm is charging the hospital \$100 per hour and they're paying the doctor \$70 per hour, the difference is the margin. That's their gross revenue and that's the business model in a nutshell.

They will typically offer the doctor ... The doctor doesn't know how much the staffing firm is charging the facility.

David Mandell:

Sure.

Cory Kleinschmidt:

But often times, there is negotiation involved. They may say, "70 is too low for me to make this worthwhile. I'll agree to 75." There is some negotiation involved in that. Again, that's one of the things that doctors should do their due diligence on, to find out more about the business aspect of it.

David Mandell:

Right.

Cory Kleinschmidt:

The more knowledge they have about the average pay rate for a locum tenens radiologist, they can negotiate better with the staffing firm.

David Mandell:

Right. Maybe that's a reason to use a smaller firm, maybe they can get a better deal.

Cory Kleinschmidt:

That's right.

David Mandell:

The bigger firms stand pat because they have an exclusive deal with the health systems and they're like, "You can't go around us," and that kind of thing.

Cory Kleinschmidt:

Yeah, they have a standard rate and that is what it is.

David Mandell:

Right.

Cory Kleinschmidt:

The smaller staffing firms, they compete on price.

David Mandell:

Right.

Cory Kleinschmidt:

That's their only option as a smaller agency. Some of them have a margin as low as 10, 15, maybe 20%. Whereas, again, the standard margin seems to be in the industry of about 30 to 35%.

When it comes to these agreements, typically what's contained in them is what you might expect, with perhaps some surprises. There's the scope of work, the provider's responsibilities, their duties. Obviously, the location of the work site. It's called a work site. The compensation and payment terms, it outlines the pay rates, invoicing, reimbursement for travel, lodging, and malpractice. Typically, that's covered. A lot of the staffing firms, they do cover all of the travel costs 100%. But some of the things like gas, which doesn't cost that much, or any other incidentals that they have to personally pay for, they can submit for reimbursement.

David Mandell:

What about housing? I'm going to go live somewhere for three months and do this job, or I'm going to go once a week to this state to do this work. Is that laid out in the contract too, that it's per diem, X amount kind of thing for housing?

Cory Kleinschmidt:

Correct, yeah. Again, that's exactly right. The staffing firm will cover the cost of a hotel completely for that time period. Or if it's a longer term assignment, if the doctor requests it, they can also request an Airbnb, depending on what their more comfortable with. That is covered in these agreements. As well as, we talked about the credentialing and licensing, that's outlined in the agreement. The shift duration, contract length, the potential for extensions.

A lot of these assignments, and it's becoming more and more common at least as it relates to some of our clients we work with more marketing purposes, a lot of facilities are extending docs well beyond the initial agreement period. If they like the doctor or the doctor likes the hospital, the facility, they'll continue to extend it indefinitely. Sometimes it leads to a permanent role or eventually it ends, but that's another thing that's specified, the potential for extensions.

Standard contract things like termination, cancellation. It does clarify the malpractice coverage offered. Compliance and liability language, things like that. Confidentiality clauses, noncompete, some of them are noncompete agreements. That's something, again, doctors will want to educate themselves about so they're going into it with their eyes wide open. The more knowledge they have, the better. They'll have a good experience, because not all doctors have a good experience because maybe they didn't.

David Mandell:

They didn't understand what they were getting into.

Cory Kleinschmidt:

Yeah, they didn't understand what they were signing up for.

David Mandell:

Right.

Cory Kleinschmidt:

Or maybe didn't even read the agreement.

David Mandell:

Yeah, sure, sure.

Cory Kleinschmidt:

That happens sometimes.

David Mandell:

Believe me, we've talked about that on other episodes. Yeah, that's really interesting. I want to wrap, but I want to tell folks, like we talked about on the first episode here of the two, your website, Locumpedia. We're going to put a link to that in the show notes. The No BS Guide was where I got a lot of interesting information to set up these questions over the last two episodes, because it does lay out ... If you're a doc, you want to get into this area, you should be getting that guide. It's just that simple. You want to start learning about what this is about. As we talked about in the first episode, it's a growing area of medicine. There's a lot more younger docs getting into this than I thought and that I knew about. It's broadened in the different specialties.

Spend some time on Locumpedia. If you're interested, get that guide. I've seen in my own family, my father had decades of interesting, and I think for him rewarding work, in locums. That's one of the reasons I wanted Cory on, and I wanted the listeners and viewers to hear about it. It's part of medicine, and it's growing, and it's something you guys listening, and women, should know about.

Cory, thank you so much for being on.

Cory Kleinschmidt:

Great to be with you. Thank you.

David Mandell:

Really appreciate it. Thank you for everybody tuning in, both video or audio. Of course, if you liked the content, feel free to give us a five-star review, say some nice words about us, tell your colleagues. Of course, in another two weeks, we'll have another episode for you. Thanks for tuning in.