

EPISODE 5.16 | APRIL 16, 2025

LOCUM TENENS UNCOVERED: INSIGHTS FROM INDUSTRY EXPERT CORY KLEINSCHMIDT (PART 1)

David Mandell:

Hello, this is David Mandell, host of the podcast. Thanks for joining us today. We've got a really interesting topic, one actually that I've wanted to have since season one. We are getting it done now in season five, and an expert in the field to tell us a bunch about locum tenens practice and what that's all about. Let me tell you about Cory Kleinschmidt, and then we'll get into it. Cory is an entrepreneur and a longtime industry veteran who has worked for and consulted with multiple locum tenens staffing agencies of every size in various roles over the past 23 years. Most notably, Cory has served as 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 LocumTenens.com job board, which execs have credited as being the engine that helped LT grow into the powerhouse it is today. He is the founder and operator of Locumpedia, the locum tenens industry platform. That's certainly how I found him, and it's a pretty exciting and pretty cool place. Cory, welcome to the program.

Cory Kleinschmidt:

Thanks, David. Good to be with you.

David Mandell:

Yeah. Great to have you. Like I said, it's a topic that has been on my radar for a long time. In fact, it will probably come up in this episode or my next episode, but my father, who's a radiologist, did a lot of locum's work. In fact, he was on the podcast first episode of season four, so now maybe a year and a half or more away. When we talked about his career, his first half of his career was traditional radiology chief of department inside of a hospital, et cetera, up in Massachusetts and Rhode Island

where I grew up. The second part of his career when my parents moved to Florida was all over the country as a locum's guy.

He and my mother literally went to... I don't know, he had licenses in 12 states. It was really part of their life. The driver of where they would spend their time, and they had a great time doing it. Not everybody can do that, but so it's been really on my radar as something that's something cool that doctors can do that not everybody else can do for a while. I'm glad to really have you and dig into this, and we're going to do two episodes on it. Before we jump into locums, I gave a little brief bio, let's talk about you and maybe you can tell us, give a little color to that short bio I read and what have you done and how did you get to be an expert in locum's work?

Cory Kleinschmidt:

Sure. Sure. First of all, really neat to hear about your father as a radiologist. My son is actually in medical school right now studying for step two, as they call it. He also wants to become a radiologist.

David Mandell:

Okay. Nice.

Cory Kleinschmidt:

It's neat how our paths are converging there. I got into the industry I think in a similar fashion, like many people, accidentally. I didn't know anything about locum tenens when my journey began. I had a business meeting with a former boss of mine who described how his wife and the wife of Rick Jackson knew each other through a local private school. Rick and my partner, Chris, who became my partner. My former boss, Chris, who became my partner, discussed the idea of forming an internet business incubator. This was the late '90s where Yahoo stock and the search engines and-

David Mandell:

Yeah. Dot com.

Cory Kleinschmidt:

... digital platforms... Yeah. The dot-com boom that predated Google were blazing hot in the stock market, and everybody started paying attention to the internet as a business platform. He called me into a meeting and asked me if I was interested in joining as a partner in this enterprise. He kept talking about something called... I thought he was saying local tennis. I thought the first 30 minutes of the meeting that he was talking about some kind of tennis business. I liked tennis, but I had zero interest in getting into tennis as a business. I just politely humored him for a little while, and eventually I got my courage up to get past my ignorance and ask what the heck he's talking about. He explained locum tenens, temporary physician staffing, and that was a lot more interesting to me.

I said, "Yes," and we started this company. We conceived and launched some web-based businesses as part of this organization, and one of them is now a \$100 million beverage alcohol importer, so we had one success story as a company that we conceived. But our main task was to build, as you mentioned earlier, David, the LocumTenens.com job board. Rick Jackson had purchased that domain for \$50,000 the year before and was looking to rename a locum tenens staffing firm around that dot com name. Furthermore, to have us build a free job board on it, on the website. It was a free job board owned by a staffing firm, which is pretty unusual and still is. As you mentioned, as the marketing director at LocumTenens.com at the time said it became a lead generation machine and they had so many 50 to 100 doctors signing up every day to apply for jobs.

Thousands of jobs posted by healthcare facilities as well as the LocumTenens.com agency and even other agencies were allowed to post on the board. At the time it was an \$8 million agency. When I left in 2005, it was over 120 million. Today, Jackson Healthcare, which is primarily LocumTenens.com but several other staffing and software companies around healthcare, is now the second-largest locum tenens staffing firm behind CHG, which is CompHealth and Weatherby and a few other firms. Now they're a \$1.6 billion organization. Got started accidentally. Knew a lot about internet, internet marketing, website development. Figured out how to unlock the secrets for marketing toward doctors who were interested in working on a temporary basis and took off from there.

David Mandell:

Interesting. Really, really. Yeah. Not a surprising business story in that you don't really plan on it and it's happenstance, but that's fairly common from what I hear. What is Locumpedia? That's what you're working on today, or one of the things you're working on today. What inspired you to create that? Just tell folks what it is, how does the business work? How do you make money? Give us a little background on that, and then we can start to jump into what locum tenens is all about.

Cory Kleinschmidt:

Yeah. Locumpedia, we bill it as a digital platform for the locum tenens industry. We offer multiple services and resources, primarily. We also have a free locum tenens job board. We are not owned by an agency, unlike LocumTenens.com, so we are completely free for all employers, which includes staffing firms as well as direct healthcare employers, and of course for physicians and advanced practice providers. It is, we think, the largest locum tenens job board online currently. Of course, the free aspect helps reduce friction, and we don't have any fees of any kind right now. We might offer subscription fees in... services in the future. Primarily sponsored postings and things like that. But right now, completely free.

We also are the largest publisher of locum tenens career resources, including our very popular No-BS Guide to Locum Tenens for providers looking to get into locum tenens. Our mission really is to help providers, like your listeners, to maximize their income, achieve work-life balance, gain more autonomy in their medical care and mitigate burnout. All of these are really important trends.

We saw, my partner and I, an investor, an anonymous angel investor, saw an opportunity to speak to this audience. The industry is really fragmented. There are a lot of different companies and publishers putting out different sources that caters to the audience of staffing firms, direct healthcare employers and locum tenens providers. But there really wasn't one central place, like a clearinghouse, where staffing firms, employers and providers could go to keep up with what's going on in the industry.

It's a really interesting tale. The industry really has dovetailed with a lot of converging trends within the country over the past 10 to 20 years, including the rise of gig work, younger workers wanting more work-life balance, more autonomy over their schedule. Doctors and advanced practice providers are no different.

They're learning the benefits of this work model and how it can help them make more money and to be happier and more fulfilled. Again, we saw real opportunity to claim the mantle as the single source of truth for this industry, which was already growing pretty steadily before COVID. After the dust settled with COVID, largely the industry has been growing rapidly. Now it is the single largest segment of healthcare staffing, or I should say the fastest growing segment of healthcare staffing, while travel nursing and allied health contract actually in the wake of COVID, the future for locum tenens looks really, really bright and shows no signs of slowing down.

In terms of what inspired me to create the business, I had the idea when I worked with Jackson Healthcare. I presented the concept or at least a precursor to the concept to the executives at LocumTenens.com, and they had no interest in it whatsoever.

I licked my wounds a bit, really left... Decided to leave the organization because I didn't really agree with a lot of the direction they were pursuing, and I really wanted to pursue this idea on my own. Well, that was 2005. It took 14 years and a couple of false starts to find an investor in 2019. We had the fortuitous timing to form the company in January 2020, and we all know what came shortly after that. COVID really, really, like everyone else, really set us back, and we really didn't get started in earnest until 2022 when we launched our free job board.

But it's a really fragmented industry, a lot of opportunity. We're seeing a lot of businesses get into this space now in multiple forms, and we'll talk more about that I'm sure. But our No-BS Guide to Locum Tenens was our foundational career resource and remains our most popular content today.

David Mandell:

Yeah. I used that a bunch to come up with these questions, and as you directed me. We'll put a link to the site in general and even to the No-BS Guide in the show notes, so everybody watching or listening can go right there, but it's really helpful. It was helpful to me just to get a sense of what questions I should be asking you and what people might be thinking about.

Cory Kleinschmidt:

Absolutely. If I actually could, I wanted to make one point why we called, it just occurred to me, the No-BS Guide. We called it that, partially that's obviously to get attention, to stand out, and it's a common tactic when it comes to digital marketing and content marketing in particular. But we chose the No-BS moniker because there is a lot of BS in the industry.

The industry... I know we'll talk about this more in depth, but the industry is essentially staffing firms at the middle, playing middleman between healthcare facilities and providers, filling these coverage gaps. There's a lot of self-serving information out there.

The picture has changed somewhat, but where the industry, largely thanks to the industry association, which is called the National Association of Locum Tenens Organizations, it's a great resource for staffing firms, startup firms, providers, anyone who has a stake in this industry. It's a great resource. Kind of see ourselves as a commercial arm of this association promoting the industry. Actually, we do a lot of work with them. We're really close providing marketing services for the industry association, but there was a lot of BS and there was a lot of misinformation out there. Our mission with the No-BS Guide was to tell the unvarnished truth, both the good, the bad, the straight dope, as they say, without spin from our perspective as being in this industry for over 20 years, learning really how it works and what's real, what's not real, what to look out for and that kind of thing.

David Mandell:

Yeah. No, it's great. I encourage people to go there, and we'll get through some of the high-level questions and answers today and in the second episode. First, let's start with the basics. Literally, you had to ask in that meeting when you thought it was about tennis. But what is locum tenens? What is it? Meaning how would you define what it is and what it is?

Cory Kleinschmidt:

Well, definitionally, locum tenens means to hold the place.

David Mandell:

Okay.

Cory Kleinschmidt:

Ultimately, it's a fancy word that means temporary provider, and the term itself got started long time ago. Not in the 1900s, but back in the 1500s. It was initially associated with clergy in the Catholic Church.

David Mandell:

Interesting.

Cory Kleinschmidt:

There were clergymen who worked, just like doctors, maybe one doctor in a small town. It was a parish somewhere in Europe, and there were temporary clergymen who would go around and fill in for the regular clergy in that parish if their priest was sick or just couldn't serve for whatever reason. Of course, this was a time when clergymen were seen as physicians are today. They were authorities. They weren't just preachers, they were authority figures. Their work was really important in the local communities, much more so than it was after the Enlightenment. Still important, but not quite to the same degree.

A few doctors saw a need for coverage primarily in rural areas in the late '70s. This was a really big issue where small communities were having a really hard time getting doctors to want to come live there and work there.

Cory Kleinschmidt:

These doctors saw that patients weren't being seen, they were going without healthcare, and so they took it upon themselves to band together and with their networks to talk their colleagues and friends and spread the word that, "Hey, this rural facility in Wyoming needs a radiologist or a surgeon. They have no one and they may have to close down the facility if they can't get someone to come in." These doctors were the pioneers who created the temporary physician staffing model. It turned out to be a very lucrative thing for them, but it started just like we were talking with my career, accidentally. Seeing a need and filling it. Fast-forward to today, locum tenens

coverage is seen as a necessity. There was a time where it was seen as a necessary evil for facilities, like I said, if they had... They had to protect their revenue.

If a provider got sick or was injured or had a baby, they couldn't afford to just close down their surgery, their operating room or their radiology department and whatever the case may be, and so they paid higher rates for locum tenens providers to come in often on a moment's notice. It was really seen as a necessary evil. About 10 years ago, that started to change where based on economic trends and the medical trends, the physician shortage, the burnout epidemic among medical providers, and the perception gradually shifted into a strategic advantage for healthcare facilities so they could test out new providers before committing to one full-time or to spin up a department, an oncology department, whatever it might be. Rather than the extensive recruiting period to find full-time oncologists and similar roles, they could try out temporary providers and figure out how the economics work for this department within the hospital or clinic.

For a variety of reasons, it's become very, very popular on the demand side and the supply side. Demand being the facilities and the supply side being the providers. But basically at its core, it's gig work for doctors and advanced practice providers. When doctors work on a locum tenens basis, they are 1099 independent contractors. They are technically their own bosses, and that's liberating and potentially daunting for physicians who are dabbling in this, but that's what it boils down to.

They hook up usually with staffing firms who represent opportunities that healthcare facilities offer to these staffing firms. Oftentimes the staffing firms will... They're, quote, "promiscuous," in the sense that they don't really care which staffing agency provides the radiologist to their facility. All they know is their primary radiologist or maybe both of the radiologists are out for different reasons and they need someone next weekend, so they have no choice but to turn to these agencies to fill those potential coverage gaps. That's essentially how the business model works.

David Mandell:

Yeah. No, it's interesting. I didn't know the history of that. You answered some of the questions that I wanted to ask. I just want to repeat some of the things. Really there's three parties involved. There's the provider, there's the agency, staffing... Then there's the ultimate organization or medical enterprise. You mentioned the 1099 situation. That gets into a lot of things where we're helping clients because there's a real advantage to that. We weren't not going to turn this into a tax episode. We did that with Carol recently. But if you're a 1099, you can then start to do things, potentially create your own entity, potentially create your own benefit plans, do some write-offs, do a whole bunch of things that you have the flexibility as an entrepreneur, essentially, to do that. If you were a W2, you wouldn't, and maybe net-net you're a lot better off even with the same income.

That's obviously a potential advantage for physicians as is just the flexibility. My father was like, "Hey, I want to work two weeks a month, and I'm flexible about where I go. I got to see a lot of great places." He was able to work in places from Nantucket to a no-name town in Texas. Literally all that stuff, which was fun, and make the income that he wanted to make, but do it in a non-traditional way. He'd been working in a practice for decades, so had done that, going to the same place every day, day in, day out.

What do you think the other high-level advantages or disadvantages for a physician? Meaning if you were just going to do it in one minute or 90 seconds, here are the things that people who are attracted... These are the pluses and these are the big picture minuses because I want to... We've got some other questions to ask, and I know that answer can be very individualized and go down a whole road, but give me top end?

Cory Kleinschmidt:

Yeah. Well, I think on the whole, there are far more advantages than disadvantages. But again, as we talk about in our No-BS Guide, there are some disadvantages, but what are challenges but opportunities by a different name?

Advantages are pretty clear for docs. They do get to set their own schedule, as you mentioned. They're under no obligation to accept what's called a locum tenens assignment. That's also the unconventional term to describe these jobs. They're not

jobs because jobs implies full-time employment. A lot of times these agencies describe them as opportunities because it might be a week-long assignment, again, as they call it, or it could be every Friday for six months or whatever it might be. There really is no defining aspect of what kind of shift is possible. It really just depends on the facility's needs.

Pretty clearly one of the biggest advantages of locum tenens work is docs get to make more money. They typically earn more on average than full-time work. Of course you know, from a tax perspective, a double-edged sword. That means also that they're responsible for paying quarterly taxes on that income.

David Mandell:

Right.

Cory Kleinschmidt:

Especially if they do considerable amount of locum tenens work and to replace... A lot of providers now are doing locum's work full time. They find that, I don't have the statistic in front of me, but they can make a lot more money working locum tenens than they ever could in a full-time opportunity.

Then there's other benefits related to that, like we already discussed, they can set their own schedule. They don't have to worry about paperwork. The only paperwork they have to deal with is some of the charts that they have to do in the course of their normal medical care. They have to fill out time sheets, they're called work logs for how many hours they worked to report that back to the healthcare facility client as well as staffing agency.

But by and large, they get to focus on the clinical aspects of the work and don't have to worry about the burdens and paperwork, which naturally leads to another advantage, which is mitigation of burnout. A lot of times doctors will rediscover their passion for medicine when they do locum's work because it's refreshing. Older docs will say like, "This is how it was when I got started practicing," before paperwork and all the regulatory things that they have to do for compliance have taken over the profession to a large degree. It's a breath of fresh air because they just come in, show up. Obviously there's orientation involved and things like that, but

they get to do what they set out to do when they went to medical school, which is deliver patient care.

David Mandell:

I think another element of that my dad talked about too is just interacting with different people. He was at one practice, he was the chairman and had partners and the same folks every day for 20, 25 years. That is also great. You build great relationships and friends and all that. But there is an element of some fresh faces and new people, and that can be, I think for some people, very invigorating and refreshing.

Cory Kleinschmidt:

Exactly. Yeah. For younger docs, it's becoming more common for docs right out of residency to try locum tenens first before committing to a full-time role. They really get to use it to dabble in different kinds of practice environments, large facility, rural facility. Obviously with larger urban hospitals there's a large patient census, so more fast pace, potentially. That might appeal to some docs who want that fast pace, but might not be the thing for someone who wants a more relaxed way of practicing. They can try different environments, different size hospitals, different geographic regions. Maybe they went to medical school in California because that's where they matched. Then they're not from California, so they're maybe not tied to that state or to the West Coast.

Maybe they want to go back to where they were raised or maybe they want to start a family and have more of a work-life balance in Colorado, in the mountains, or in Florida where it's warm most of the year. It gives a lot of flexibility in that regard. Again, we know that with the remote work first environment nowadays post-COVID that there's a lot of experimentation in work models. Even radiologists can do locum tenens work remotely because of technology and video conferencing and all that. It's really, in a lot of ways, it's a new world. Doc's burnout is a huge issue. A lot of them are finding that practicing on a locum tenens basis is helping revive their passion, like I said, for medicine, and forestalling the desire to retire early, which is something that's really been plaguing medicine in recent years as the physician shortage has

increased and workloads on the docs who remain in a facility increase. It really is helping all stakeholders in the industry get back to the roots of what they wanted to do in the first place, and it shows no signs of slowing down.

There are some stats that are really interesting now, 13% of physicians work in locum tenens immediately after completing residency, and that number has gone way up. In mid-career, the stats show that 63% approximately are working locum tenens during mid-career for the reasons we just mentioned, schedule flexibility, additional income. Obviously medical loans are substantial, and so that's another reason why newer docs are doing it so they can pay off their loans faster and just practicing medicine on their own terms.

In late career, in the retirement phase, only 19% of physicians work locum tenens after retiring, which is down from 36%. More docs are opting for locum tenens earlier in their career, so it's really a win-win for all parties involved.

David Mandell:

Yeah. That's interesting to me and makes sense that attractiveness of gig work would be coming down. My father was more on the retired... Not really retired, but just second half of his career, but I could see it being more attractive to young docs and docs in practice for extra income. Let me ask one last question then. Obviously we're going to do a second episode when we get into really some practical tips. But what specialties, if any, are say most in demand or ones that are coming that listeners or viewers might say, "I never thought that that would be a specialty for locums," and now it's emerging? Just give us a sense of that.

Cory Kleinschmidt:

Yeah. It's interesting because it really ebbs and flows depending on trends within healthcare, trends in society. We've got an aging populace, and so that's really driven a lot of demand for specialties that as the baby boomers retire, and we all know when you get into retirement age, your utilization of healthcare services increases. That's really driving a lot of demand for these hot specialties. Of course, during the pandemic, it was emergency medicine and critical care, elective surgeries. You might remember at the time there was no such thing as elective surgery for a long

time. It was really focused on emergency services. As COVID has died down and receded, we're seeing demand rise for those specialties that cater predominantly, not exclusively, predominantly to older folks. That means neurology, cardiology, and anesthesiology, radiology.

Family medicine is one of the hot specialties as well, and also psychiatry. That's not necessarily tied to the aging population, but it does, I think, point to an increased focus on mental health, which as we know has been a huge emphasis in recent years. Those are the specialties that our sources are saying are most in demand. But hospital medicine is probably the king of them all, for a lot of the staffing firms we work with on our commercial side where we provide marketing services to staffing firms, a lot of them primarily, like hospital medicine, is far and away the highest in demand specialty. It really differs depending on the region. Southern states, the Sunbelt probably more geared toward the specialties that directly apply to older folks. West Coast, with healthier younger population, maybe less so. Urban centers throughout the country, less so.

It really is interesting how these trends change all the time. We keep talking about the radiology model. My son who's in medical school, he wants to become a radiologist despite my pleas for him to consider a different specialty that's less prone to take over by artificial intelligence. But paradoxically, the demand, while it was looking like it was declining years ago, now its demand for radiology is increasing again despite the fact that AI is taking on a lot of the diagnosis through software, which is remarkably successful in catching conditions on scans that human radiologists aren't as able to do. What seems to be emerging is that skilled radiologists utilizing AI are really seen as the future rather than AI just completely displacing radiologists altogether.

David Mandell:

Yeah. It's interesting, some of these specialties you named, I wouldn't have thought that that was... Psychiatry really surprised me, but I think that's the growing utility of locums is that it has probably interest for folks listening and watching. If this is something you're interested, if you're listening and watching, even if you weren't on one of the specialties that Cory mentioned, get onto the site, see what's out there because we're talking big picture trends. It doesn't mean that there aren't specific

needs in either different areas or different health systems, et cetera, and it's something you could take advantage of. Cory, I want to thank you for coming. We're obviously going to continue this conversation for us in real time in a minute here, but for those of you watching and listening, it'll be in another two weeks.

Thank you for tuning in. If you find this information valuable, obviously we're going to put Cory's bio in there and the link to Locumpedia and to the No-BS Guide and all of that, so you can take the next steps. Thanks for tuning in, and look for us, of course, in another two weeks.