Lessons from Locum Tenens

[Editor’s Note: This is a guest post from a practicing anesthesiologist who blogs anonymously at PhysicianOnFIRE (Financially Independent Retire Early if the acronym is new to you.) We have no financial relationship.]

I’ve been a practicing anesthesiologist for about 10 years. For the last couple years, I’ve been an employee of a health system, practicing in a small community. Earlier in my career, I practiced as a locum tenens physician for several good reasons. Now, locum tenens is an option I keep in my back pocket in case the need or desire arises again. Although it is not ideal for everybody, locums work can be rewarding and useful at any point along one’s career path.

Defining Locum Tenens

What exactly is locum tenens? The words are Latin for “one holding a place”. When you are hired as “a locum”, you are holding the place that might otherwise be filled by a local physician. Locums are hired for a host of different circumstances. Vacation coverage, extended leave, inability to fill a position, and increased demand are among the most common reasons. Assignments range from a few sporadic days, to several months, or even years. Many locum positions can be
parlayed into a permanent position if it’s the right fit for both parties. Some specialties lend themselves more readily to locums, but there are needs in all specialties.

**Locums Straight Out of Residency**

I first learned about locum tenens opportunities in anesthesia when I attended the large national meeting as an intern. I talked to a number of the staffing companies and did some online research. I liked what I learned and figured I knew how I would start my career 4 years later. When my friends were applying for full-time jobs, I was applying for 10 state licenses. When they were interviewing with potential partners, I was interviewing staffing companies. Before I finished residency, I had my first three assignments lined up.

I was a full-time locum for nearly two years after residency. This was great for me personally, professionally, and financially. I worked in five states with assignments lasting as little as one week and up to nine months. I even did locums within locums, leaving my regular locums job one week a month to work elsewhere. I learned the ins and outs of the locums life pretty well.

Personally, I was engaged when I finished residency and we were married a year later. As a free agent in the workforce, I was able to find work close to the internship into which my wife matched. If I had taken a full-time job, we might have spent 9 months apart, delaying the ability to start a family of our own. We both enjoy travel, and being a locum allowed us to “slow travel”, living like a local for the amount of time my services were needed in a location that we chose. We made great friends as we traveled. We are now Godparents to 5 children in 2 families in the places we did locums in those 2 years.
Experiencing Different Styles of Practice

Professionally, I was able to “hold a place” in a range of different practice environments. I worked in a large, government teaching hospital. I spent time in rural critical access hospitals, and other places in between. I supervised anesthetists and residents, I taught, and I provided in-room, hands-on anesthesia. I saw more clearly firsthand what I had been taught in residency, that there are “many ways to skin a cat”, although I’ve never had a reason or inclination to actually do such a thing. Nevertheless, locums gave me an education that helped me discover how I might best spend the rest of my working career. It was like a 2-year fellowship with an attending’s salary.

Banking the Cash

Financially, locum tenens can be lucrative. Some positions may pay less than a partnership position in private practice, but you can do quite well for yourself. There is some overhead that the hiring group or hospital needs to pay, much of which benefits you, but essentially comes out of your pay. If you go through a staffing agency, the company gets its cut too. In terms of expenses, I was able to live like a resident for a couple years, but with housing, travel, and a rental car provided. Since we took mostly long-term assignments, we were able to score furnished apartments rather than hotels. Food was paid for with a per diem, and the paychecks piled up. I had incorporated an S-corp and worked with a CPA to pay myself a salary and distribution (there is some tax benefit to the distribution). I started a SEP-IRA and was able to sock away $45,000 a year, tax deferred; today the limit has been raised to $53,000. A solo 401(k) is another option.
Locum tenens work has other positives. You can largely avoid the local politics that inevitably come with a permanent position. You can deduct any expenses related to your work and travels, lowering your taxes. Typically, you are paid by the day and by the hour. A longer than average workweek is quickly rewarded with a larger than average paycheck. You have a say in the assignments you accept. If you want no call, you take a job with no call. If you want lots of hours so you can afford to buy that boat, you can find a job with a boatload of call.

**Downsides of Locums**

What are the negatives? Some are obvious; if you’ve got a family, it’s tough to be away. Assignments can be cancelled after you’ve signed or even after you’ve started. You can’t always rely on a steady paycheck. If you are doing locums exclusively, you are responsible for providing your own benefits package. On assignment, you’ll be “the locum” and may be treated differently than other physicians, although I’ve always felt I was welcomed and treated quite well.

**Post-Locums Life**

As I mentioned earlier, I eventually transitioned from a locum to a “permanent” physician after a couple years on the road. As was the case with most places I had worked, there was a position available to a willing and competent physician. After
a few months as a locum at this hospital, having had the opportunity to “try before you buy”, I signed a contract to return full time. I started the job and started a family and all was well. The position offered a fair amount of time off and of course I used some of this vacation time to work locums elsewhere a week at a time. I used the extra money I earned to pay down a mortgage and start my first taxable investing fund.

Bonus Points for naming the 5 peaks in this picture

Locums in Mid Career

After a few years, all was not so well. I used quotation marks around the word “permanent” earlier because the hospital went bankrupt and the permanence of the position vanished into the ether. Did I panic? No. I went back to what I knew well, locum tenens work.

I was able to spend a couple weeks at a hospital down the road as a working interview. Prior to those two weeks, we were seriously considering that job. Two weeks was enough time for me to realize that it wasn’t the best fit for me. I spent a couple more months at another hospital further down the road to keep a steady paycheck coming in. But locums was no longer personally rewarding. I had a wife and two very little boys back home and I was gone 24 days a month.
After another semi-permanent job (during which I did more locums), I settled into my current and presumably final permanent full-time position. How did I find this job? I worked as a locum here seven years earlier, and they happened to remember me in a favorable way.

My current contract doesn’t allow for locums work without an extensive approval process, and I’m OK with that. When I was younger, the experience and money were what I needed professionally and financially. Today, I’d rather spend my time off at home with my family, or typing words onto a screen for you all to read.

Locums At Career End

One last time that locum tenens can be a great option is at the tail end of one’s career. Taking your skills and experience on the road might be an ideal way to spend your last few years as a physician. You can work as little or as much as you like, and be picky when choosing your destinations. Consider working in places you might want to retire to find out what life is like there. Work in places you might otherwise never visit. Alaska is lovely in the summertime. I hear good things about Australia and New Zealand, and yes, there is locums work there. Have stethoscope, will travel.
What do you think? Have you done locums? Did you enjoy it? Was it at the beginning of your career, at the end, or after trouble at your real job? Comment below!