

COVID-19 Changed the Physician Job Market: What Happened and What's Next for Physician Jobs?

By Tony Stajduhar, President, Jackson Physician Search



Ask how the COVID-19 pandemic impacted physicians and you'll get as many answers as there are physicians. Each one has and continues to experience the pandemic differently, however some common themes emerge. From the battle-worn emergency medicine physicians and hospitalists who experienced COVID-19 up close in ERs and ICUs, to the primary care physicians and psychiatrists who seamlessly transitioned to telemedicine, to the surgeons who were forced to stop working altogether, physicians' experiences with the pandemic will certainly influence how they move forward.

As we continue to recover, we asked:

- Are physicians thinking differently about their careers because of COVID?
- For those seeking change, what are their job prospects?
- How did COVID impact the way healthcare organizations will now approach physician recruiting?

Physician Recruitment Continues to be as Dynamic as Ever

As the President of a national physician recruitment firm, I regularly check in with our teams of physician recruiters working all over the country to learn what's happening in their specific markets. I recently interviewed the Regional Vice Presidents of Recruiting in each division to get their takes on how COVID is changing the job market for physicians.

These Jackson Physician Search VPs lead impressive teams, but they too are in the trenches, working daily with physicians and healthcare organizations in every imaginable setting—from big urban markets to some of the most rural parts of the country. After speaking with each of them at length, I can share that the news is positive for physicians seeking jobs. Physicians are in high demand, so it's not surprising to hear that healthcare organizations are rolling out the red carpet to attract the best candidates.

What follows are insights gleaned from speaking with four Regional Vice Presidents of Recruiting at Jackson Physician Search. I'll not only share observations on the current market, but I'll also provide actionable takeaways for both physicians seeking new opportunities and the organizations that seek to hire them.

Six Takeaways

1. After a temporary dip, demand for physicians is once again high as patient volumes begin to return to pre-COVID levels while an increased number of physicians report they plan to retire or change jobs.
2. More physicians than typical are leaving large metropolitan areas and considering jobs in alternative markets.
3. Interest in telemedicine continues to increase, but its future is uncertain as post-COVID reimbursement rates are still to be determined.
4. Heightened physician demand has yet to cause significant changes to base compensation and signing bonuses, but the lingering effects of the pandemic will likely shift other aspects of physician compensation.
5. Virtual interviews and site visits are here to stay as both parties benefit from the convenience and time saved.
6. Flexibility and an open mind are still critical in the physician job search for both physicians and those who seek to hire them.

Physician Recruitment Resumes

The paradox of COVID-19's negative impact on physician jobs meant the job market flipped, to an extent, in 2020. For the first time in recent history, physicians were searching for jobs and coming up empty. Those coming out of residencies and fellowships were hit particularly hard, finding extremely limited options. With revenue plummeting, health systems put physician recruiting on hold. **Some estimated** searches were down between 25% and 50% at healthcare organizations.

Recruiting stopped, in part, because the patients stopped coming. However, they didn't stop for long. According to an **MGMA Stat poll** in June 2020, 87% of healthcare leaders said they had recovered some patient volume, with half reporting a return to 75% or more of pre-pandemic levels. While the Fall 2020 COVID surge may have slowed the return to normal, it doesn't seem to have had a major impact. In **one study of GI endoscopy centers**, the number of procedures done in Q4 of 2020 was about 90% of procedures done in Q4 of 2019. The numbers for Q1 of 2021 compared to Q1 of 2020 were similar.

Patient volume may not have reached pre-pandemic levels, but it appears to be normalizing. As we go to print in July 2021, healthcare systems are revisiting their recruitment plans and returning to pre-COVID levels.

According to an **MGMA Stat poll** in March 2021,

72% of healthcare leaders plan to hire new physician positions in 2021.

Source: MGMA Stat Poll

Neal Waters, Regional Vice President of Physician Recruiting for the Eastern Division of Jackson Physician Search, says that data reflects what he is seeing. "Last year, the hospitals and groups that we serve were focused on 'needs' versus 'wants.' They recruited for roles they needed in order to keep the doors open, but that was it. They weren't thinking at all about growth—those 'wants' were off the table completely," he says. "Now, all the 'wants' are back and then some. Everyone is going a hundred miles an hour to catch up to what they missed out on in 2020."

The market is returning to the way it was, but for many physicians, uniquely impacted by the pandemic, the way it was may no longer be an attractive option.

More Physicians Pursuing Jobs in Alternative Markets and Telemedicine

Dr. S began the search for her first job post-residency in February of 2020. She thought she had plenty of time, until the world shut down a month later. Instead of spending her weekends interviewing and touring new cities, she was home, panicking about her future.

Dr. S needn't have panicked for long. Working with Jackson Physician Search, Dr. S was able to secure multiple virtual interviews and eventually received an offer, all based on virtual interviews. It wasn't the physician job search she envisioned—with personalized community tours and expensive dinners with potential colleagues—but she was grateful to secure a job, even if it wasn't in a city she'd previously considered.

Dr. S's story is not unusual. According to Helen Falkner, Regional Vice President of Recruiting for Jackson Physician Search's Western division, the hospitals and health systems that were able to continue recruiting throughout the shutdown really benefited from doing so.

"There wasn't as much competition [for physicians] as there usually is," Falkner explains. "The same number of physicians were coming out of residency, but with recruiting on hold at many health systems, the ones that continued the recruitment process were able to win physicians who might not have considered them otherwise."

On the other hand, while some physicians were forced to consider alternative markets due to the strange circumstances of 2020, many came out of the pandemic actively seeking new locations.

As a hospitalist, Dr. M came through the worst of the pandemic like a soldier after battle—scarred and uncertain he could stay the course. His job has returned to "normal" for the most part, but he's actively seeking a new opportunity—something less intense and closer to home.

"We've seen a significant influx of candidates seeking physician jobs in the Midwest," says Carly Clem, Regional Vice President of Recruiting for Jackson Physician Search South Central States division. "I've heard from so many physicians who want to come back to the Midwest to be near family, but there are others who are just looking for a slower pace of life, away from those busier metropolitan markets."

This is great news for healthcare organizations in rural areas, where recruiting has traditionally been a challenge due to a maldistribution of talent. "We're entering a time where it's almost easier to find physicians who want to move back than it is to find candidates for jobs in the big urban areas," says Waters.

11% of physicians practice in small towns.
20% of the population lives in them.

Source: [AAMC](#)

One of the most significant shifts in the post-COVID physician job market is the increased interest in telemedicine. While it's not an option for everyone, many physicians in primary care, neurology, dermatology, and psychiatry were forced into it by the pandemic. Now that they're used to it, they may find that telemedicine is a solution for ongoing burnout.

For Dr. P, the pandemic transformed her psychiatry group into a virtual clinic. In a fairly seamless transition, she and her colleagues continued to see patients online. Now she can't imagine going back to practicing face-to-face, and she's looking for an employer who won't make her.

Telemedicine has its pros for healthcare organizations too, however, it's still not clear if telehealth visits will continue to be reimbursed at the same rate as face-to-face visits post-COVID. **New legislation** introduced in the US House and Senate would make the flexibility of telehealth permanent for those on Medicaid and Medicare, and several **state legislatures** have proposed similar bills. Until the legislation is passed, health systems may not be likely to hire exclusively telemedicine positions. However, giving physicians the option to occasionally see patients via telehealth might make the offer more attractive in a competitive market.

Likely Spike in Physician Turnover

Should we expect more physician turnover post-pandemic? Possibly. The stress of the pandemic appears to have accelerated retirement plans for some physicians and caused others to seek new employment opportunities.

According to a recent [Jackson Physician Search Physician Retention Survey](#), 54% of physician respondents said COVID-19 had caused them to change their employment plans. Half of those said they were seriously considering working with a new employer, 21% said they were considering an early retirement, and another 15% said they're considering leaving the practice of medicine altogether.

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26% increase in applications submitted to Jackson Physician Search in Q1 of 2021.

The increased volume of physician applications in 2021 confirms the findings of the survey. Those who said they wanted something new appear to be trying to find it. The number of physician job applications submitted for Jackson Physician Search jobs in Q1 of 2021 increased by 26% over the number in Q1 of 2020, prior to the pandemic taking hold in the U.S.

As an in-patient psychiatrist in an urban area, Dr. B was asked to continue to see patients throughout the stay-at-home order, often without proper PPE. She was working around the clock in unsafe conditions—with no options for telehealth—and her employer didn't seem to care.

Unfortunately, many physicians felt the pandemic revealed the worst of their employers. Dr. B was not alone in feeling that her employer put her safety in jeopardy. For others, the disappointment was financial, as their employers paused bonuses and other incentives, or held them to unrealistic productivity goals.

When elective surgeries were canceled, Dr. T found herself with little to do for the first time since before she started medical school. The break might have been a welcome change if her compensation wasn't tied to productivity—and despite the unprecedented circumstances, her employer wasn't making any exceptions.

Of course, there were also those physicians who were let go when patient volume (and revenue) fell. Now that patient volumes are returning to pre-COVID levels, those facilities that cut headcount may find themselves regretting it.

As soon as surgeries were halted, Dr. B saw the writing on the wall. As an anesthesia contractor, she knew if the hospital was looking to cut costs, she'd likely be among the first to go...and she wasn't wrong.

What's Next for Physician Jobs?

The good news for physicians is that most healthcare organizations are hiring again—returning to pre-pandemic staffing levels or beyond. Even with the seeming influx of physicians in the job market, the advantage once again lies with physicians as practices and health systems seek to fill both new positions and those vacancies created by retiring physicians and other physician turnover.

“It’s a great time to be looking for physician jobs,” says Tara Osseck, Regional Vice President of Recruiting for the Midwest.

“COVID prevented a lot of physicians from retiring as scheduled, and now we’re at the point where there is a backlog of physicians who are ready to slow down or retire, so you have these opportunities to step into an established practice and take over. I’ve filled five or six positions in the past few months matching this scenario.”

With competition for physicians climbing once more, healthcare organizations may have to get creative to win over their preferred physicians. Does this mean increases to physician compensation? Not necessarily.

According to [Doximity’s 2020 Physician Compensation Report](#), physician compensation went largely unchanged in 2020. However, some future shifts seem likely. While none of the Jackson Physician Search Regional Vice Presidents I spoke to have seen significant changes to base salaries and signing bonuses, they speculate that we are likely to see changes to other contract items such as telehealth options, childcare availability, less weight on productivity, or even the emergence of “catastrophe clauses” that provide protection in situations where physicians are unable to practice.

A May 2021 [article](#) in the American Medical Association confirms the pandemic has caused employers and employees to take a closer look at several aspects of the contract, specifically the “force majeure” clause which frees parties from contractual obligations if unforeseen events occur. Other contract items requiring a closer look include productivity and performance metrics, as well as specified duties and obligations that may fall outside the job description.

“No one wants to imagine something like this could happen again,” says Osseck, “And yet, physicians want to be sure they’re protected if it does.”

Physicians in the current market are more likely to respond to benefits not directly tied to compensation, such as “no call” or the option to work from home and see patients via telehealth once or twice a week. While physician burnout was on the rise long before COVID—[nearly half of physicians](#) reported symptoms of burnout prior to 2020—the pandemic intensified the problem. [Modern Healthcare](#) reported the percentage of physicians experiencing burnout had increased to 60% by September of 2020.

The results of the aforementioned [Jackson Physician Search Physician Retention Survey](#), conducted in November of 2020, point to COVID-19 as a reason for the increasing levels of burnout. More than half said the pandemic changed their future employment plans. Certainly, the pandemic caused physicians to reevaluate what’s most important, and for many, things like a safe and supportive work environment and a positive work-life balance carry more weight than they did before.

“We’re less likely to see candidates solely motivated by money,” Clem says. “Candidates have a little more perspective on what’s important.”

Post-COVID, the Same Rules Apply...

Physicians

Start Early—While it's true that the job market favors physicians, you will still have more options (and less stress!) if you start your search early. Allow plenty of time to explore and interview with multiple organizations. This is the best way to make a fully informed decision.

Keep an Open Mind—Of course you have an idea about where you want to live and what kind of organization you hope to join, however, the perfect job for you may not even be on your radar yet. Keep an open mind lest you turn your back on an opportunity you don't even know you want yet.

Be Flexible—It's rare for any job to check all the boxes on your list, so be flexible regarding your must-haves vs. nice-to-haves. Don't pass on a great opportunity while you wait to find the perfect job—it doesn't exist.

Hiring Organizations

Start Early—Competition for physicians is increasing, and there are no guarantees that your search will fall within the "average" time-to-fill range. Allow plenty of time to connect with multiple candidates, bring them in for interviews, and extend your best offer. You can never start too early, and in fact, if possible, you should always be sourcing candidates for your pipeline.

Keep an Open Mind—Of course you have an ideal candidate in mind for the position, but a candidate who falls outside of those parameters may be just what your organization needs. Keep an open mind and don't discount an interested physician who your recruiter has vetted and presented.

Be Flexible—The perfect candidate doesn't exist, so be flexible about your list of criteria. You may also need to be flexible about your offer. If you can't increase compensation, think outside the box to make the offer more attractive.

Conclusion

While much has changed since March of 2020, some things remain the same. Physicians are essential to providing healthcare to the general population, and will therefore always be able to find employment if they are willing to go where the jobs are.

“My advice for physicians in a job search really hasn’t changed,” Falkner says. “Start early—it always takes more time than you think—and keep an open mind.”

Waters reinforces Falkner’s advice while adding his own. “If an opportunity meets 80% of what you’re looking for, take it,” he says. “No job is perfect, but if you pass on something that’s close in the hopes of finding perfection, you will likely be disappointed. Be flexible in terms of what you need in a job, but also in how you conduct the job search. Virtual interviews are here to stay, and physicians must be able to adapt to the new normal.”

The above advice applies to healthcare organizations as well. They, too, must start early and be flexible. The strange circumstances brought on by COVID may have flipped the market momentarily, but the competition for physicians is high and only increasing. Depending on specialty, the average time to fill physician jobs ranges from 6-12 months, however if the latest [physician shortage numbers from AAMC](#) are any indication, that time frame is likely to increase.

So, it seems the “new normal” may not be all that “new” when it comes to physician recruiting and the physician job search. The basics are still important no matter what side of the search you are on: start early, keep an open mind, and be flexible. And of course, you should also leverage a respected national physician recruitment firm to aid your search.



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