

Your Ultimate Guide To Going Locum

Hi There!

Are you ready to jump-start your healthcare career as a locum tenens provider? In this guide, we'll lay out what you can expect from the locum career path and lifestyle.

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Section 1: Welcome to the World of Locum Tenens

What is Locum Tenens?

In Latin, “locum tenens” means “holding one’s place.” In healthcare, the term refers to temporary physician, physician assistant (PA), nurse practitioner (NP), and dentist staffing, with contracts ranging from a couple days to over a year. Locum tenens is not a last resort for providers who cannot find a permanent role; instead, it is a rewarding career choice that comes with many benefits that permanent positions don’t. These benefits include greater schedule flexibility, the freedom to travel across the country, and potentially higher pay.

When healthcare providers go locum tenens, they’re able to be singularly focused on the part of the job they love most: treating patients. As a locum, you’ll leave behind the extra headaches, such as internal practice politics and mounting government regulations. Going locum tenens affords new physicians, PAs, NPs, and dentists many opportunities to try out different practice styles, patient populations, and geographic areas before, or instead of, committing to a permanent position.

Additionally, seasoned healthcare providers regularly choose to take locum tenens assignments as a way to “semi-retire” without leaving medicine completely in order to keep their licenses active and continue to fulfill their ultimate desire of treating patients.

The Locum Tenens Market

The demand for care in the United States is growing at an alarming rate. In fact, the Association of American Medical Colleges (AAMC) estimates that the U.S. could see a shortage of between 37,800 and 124,000 doctors by 2034.

That’s where locum tenens comes in! In fact, around 88 percent of healthcare facilities report they used locum tenens providers to meet patient demand.

Locum tenens has become a popular option for various types of healthcare organizations across the country. Hospitals, private practices, clinics, correctional facilities and more utilize locum staffing to ensure efficient and qualified coverage when and wherever care is needed.

Locum tenens services are in high demand, resulting in a \$6.4 billion market. As this industry continues its rapid growth path, projected to reach around \$7.7 billion in the next few years, Wellhart is poised to grow along with it.



Section 2: Our 1:1 Approach

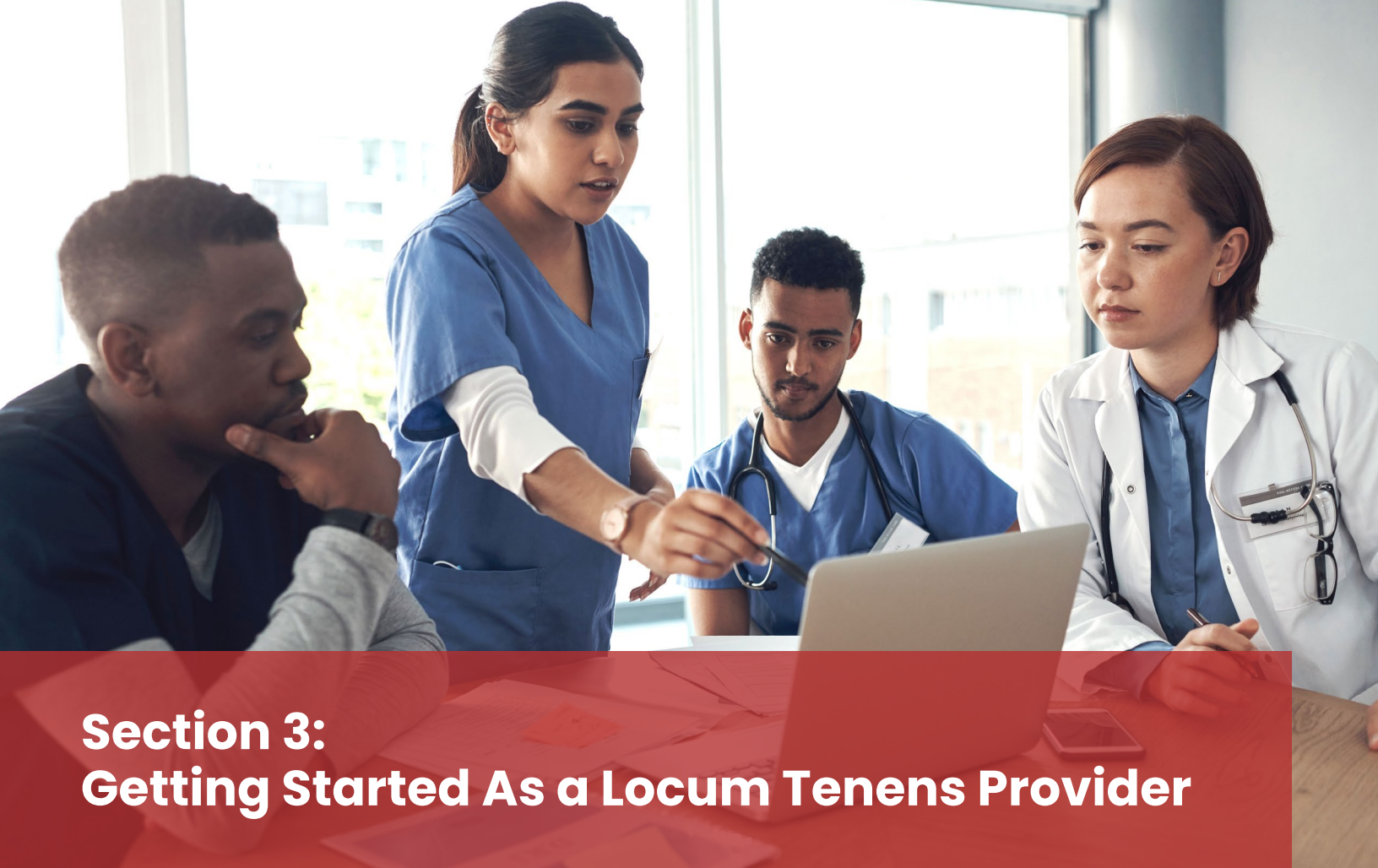
When you partner with Wellhart for locum tenens assignments, you'll never be left to figure things out alone. Dedicated recruiters and our licensing, credentialing and travel support teams will be there every step of the way to take care of everything you need.

Benefits of Having a Recruiter

Recruiters are vital, especially in the healthcare marketplace. Having a recruiter by your side alleviates some of the pressures associated with seeking employment on your own, such as:

- Reading hundreds of job descriptions and applying to them all on your own.
- Obtaining additional credentials or state licenses that positions may require.
- Staying aware of hiring policies at hospitals and outpatient centers nationwide.

It's your recruiter's core responsibility to find the best assignment that matches your professional goals and your personal interests, preferences, and lifestyle.



Section 3: Getting Started As a Locum Tenens Provider

One of the many perks of working locum tenens is the flexibility that comes with picking and choosing which assignments are best for your lifestyle. Unlike full-time work, locum tenens gives you the freedom to apply to assignments that best suit your interest and availability.

During the beginning stages of becoming a locum tenens provider, it's important to maintain open communication with your Wellhart recruiter. It's the recruiter's responsibility to truly understand your interests, goals, and work history in order to get a comprehensive view of what you're looking for in a locum job.

Once your recruiter is fully aware of your background and interests, they'll get to work. Your recruiting team will dive into an extensive network of contacts and available positions, and present you with options that match your needs and goals. It's up to you to decide whether these assignments are right for you!

As soon as you find your perfect match, your recruiter will send your CV and other critical information to the client for review. At this time, a phone interview will be set up to see whether the position is a good fit for both parties. If the organization decides to move forward, it's time to move on to the next stage: the credentialing and licensing processes!



Section 4: The Credentialing and Licensing Processes

Once you and your recruiter have found an assignment that matches your interests and goals, the next step is licensing and credentialing. Wellhart's credentialing team is in charge of making sure you are credentialed and licensed before your first day on assignment.

They will verify your:

- Education
- Training
- Experience
- Medical Licensure

Your designated credentialing team will guide you through each step while taking the lead on handling any tedious paperwork which will save you time, energy, and headaches.





Section 5: Housing and Travel

You've found a job match that meets your needs and you've completed the credentialing process, which means it's time to talk about housing and travel. You may be asking yourself:

- How will I get to my assignment?
- Where will I stay during my time there?
- Do I have to cover my own traveling expenses?
- Can I bring my pet, or my spouse?

The answer to these questions is simple: When you work with Wellhart, your travel is arranged and paid for.

Yes, that's right. You are not responsible for scrolling through websites to find plane tickets that will get you to and from your assignment. The Wellhart travel support team is responsible for booking your transportation and housing, which includes arranging the travel for your children or spouse, if you wish for them to join you.

During this time, it's important to stay in touch with your recruiter and let them know what you are looking for in terms of lodging. Whether you prefer the aisle seat on flights or staying in a particular hotel because they have the best pillows, Wellhart takes care of all your travel requests and accommodations (within reason) to set you up for a successful assignment.

Wellhart strives to make the travel process smooth and headache-free, helping in any way we can to help our providers feel at home on assignment. For some, this includes bringing loved ones—including cats, dogs, rabbits, and other pets. If you're considering bringing your four-legged friend on your locum tenens assignment, bring it up with your Wellhart recruiter so we can guarantee pet-friendly accommodations and even pet-friendly assignments, taking into consideration your pet and their unique needs.

Once your flight has been booked and your housing is taken care of, it's time to take off on your first locum tenens assignment!



Section 6: Your Income

Your recruiter will discuss desired pay rates with you prior to submitting you to any assignments, and then continue to revisit pay per each individual assignment. We know that timing, geographical location, and pay all factor into your decision to take a contract, so it's your recruiter's job to make all of those align with your preferences, find the ideal job match for your experience and career goals, and set you up for a smooth assignment moving forward.

Now that you have your assignment and travel arrangements booked, let's take a closer look at your income as a locum tenens provider.

How Much Does It Pay?

Like any other career, compensation is one of the first questions a locum tenens candidate often has.

In short, locum tenens can pay very well. Providers who work locum tenens on a full-time basis can earn as much or more than those in permanent roles. Locum pay directly correlates to the amount of work the provider puts in, because you are paid on an hourly basis. Salaried employees, on the other hand, are generally paid a flat amount, regardless of overtime.

It's important to remember that every assignment is different, and locum tenens providers must work with their recruiter to find a rate that works for them based on a number of factors, including specialty, location, practice setting, patient volume, and duration.

Supply and Demand

It's also important to realize that locum assignments are not going anywhere. Because of the current physician shortage and the rise of burnout among providers, locum tenens opportunities are projected to rise in the coming years, creating a viable, stable career path for healthcare providers of all specialties.



Section 7: Your Health Insurance

Becoming a locum tenens provider does not mean your own health will suffer! People who obtain health insurance through an employer are limited to the plans offered by their employer. Self-employed individuals, such as locum providers, are free to choose the plan that best fits their situation. Since they are considered “independent contractors”, self-employed professionals can also deduct 100 percent of the health insurance premiums they pay throughout the year, with certain exceptions.

How to Get Health Insurance As a Locum Provider

If you are new to locum tenens and have never obtained your own health insurance, there are several options available:

USE STATE INSURANCE EXCHANGES

With the passage of the Affordable Care Act (ACA), each state has developed an insurance exchange marketplace allowing residents to purchase health insurance. Health insurance plans found in the marketplace offer the “essential health benefits” mandated under the ACA, which include:

- Outpatient Care
- Emergency Services
- Hospitalization
- Maternity and Newborn Care
- Lab Services
- Chronic Disease Management
- Pediatric Care
- Rehabilitative Care
- Mental Health and Substance Abuse Services
- Prescription Drug Coverage



Section 7: Your Health Insurance

Plans come in four levels, each based on the percentage of healthcare costs they cover:

- Platinum plans cover 90 percent of an average person's expected costs.
- Gold plans cover 80 percent of an average person's expected costs.
- Silver plans cover 70 percent of an average person's expected costs.
- Bronze plans cover 60 percent of an average person's expected costs.

You can access your state's insurance marketplace via [healthcare.gov](https://www.healthcare.gov). There, you can compare plans and review the associated premiums, deductibles, and out-of-pocket costs.

USE PRIVATE INSURANCE EXCHANGE WEBSITES

Private insurance exchanges, such as [ehealthinsurance.com](https://www.ehealthinsurance.com), provide an experience similar to [healthcare.gov](https://www.healthcare.gov) by allowing users to compare and purchase plans from a variety of insurance companies.

Plans offered on private insurance exchanges meet the ACA's individual mandate, as long as they offer "essential health benefits." You can read more about the essential health benefits detailed above.

CONTACT AN INDEPENDENT INSURANCE AGENT

Independent insurance agents understand the health insurance market and can help you find options that will best fit your needs. You can use the National Association of Health Underwriters (NAHU) website to find agents in your area.

CONTACT INSURANCE COMPANIES DIRECTLY

You can always contact insurance companies directly to inquire about individual plans and compare policy options yourself. It may not be as convenient as using an online exchange or contacting an agent, but it's an available option.

Section 8: Your Taxes

Some of the more frequently asked questions about locum tenens work concerns the tax implications of being an independent contractor: What taxes do I owe? What's the process like? How do I approach tax returns? Don't worry—we'll explain everything.

There are advantages to being compensated as a locum tenens provider. For example, locum providers can deduct certain expenses that traditional employees cannot. However, filing your tax return can be a bit more complicated. You'll be required to complete the 1040 long form, along with a Schedule C, Schedule SE, and any other tax forms that might be required. Locum tenens providers who work in multiple states throughout the year will also need to file separate returns for each state.

Let's take a closer look!

Deductions

One of the biggest advantages of being an independent contractor is there are fewer restrictions on deducting business expenses. This can go a long way toward reducing your taxable income and minimizing your tax burden.

Let's say you earn \$10,000 as a locum tenens independent contractor and have \$6,000 of unreimbursed professional expenses. In this case, you'll only pay taxes on \$4,000 of your net locum tenens income.

To qualify as an allowable deduction, an expense must be both "ordinary" and "necessary" in connection with your profession. For example, purchasing an iPad to use for work qualifies as ordinary and necessary, and therefore, is deductible. Purchasing a leather carrying case from Gucci, however, probably doesn't qualify. Even though you may view your Gucci carrying case as necessary, it most likely doesn't meet the ordinary test.

You are also not allowed to deduct any expenses that are reimbursed by your locum tenens agency or the facility at which you work.

Let's look at some of the professional expenses commonly incurred by locum tenens providers:

- **Health insurance:** As long as you're not covered under an employer-sponsored health insurance plan, being an independent contractor allows you to write off 100 percent of the health insurance premiums you pay throughout the year.
- **Travel, lodging and meals:** Unreimbursed travel, lodging, and 50 percent of meal costs incurred during a locum job outside the general vicinity of where you live are deductible. However, the job must be for a specific period of less than one year, and you must intend to return to the city in which you were living prior to the assignment. You are not allowed to deduct any expenses that were reimbursed by the locum tenens agency or facility at which you were assigned.
- **Automobile expenses:** Driving between job sites is deductible, and so is driving between your home and a temporary job site, job interviews, and conferences.
- **Education, licenses and examinations:** Costs incurred in connection with improving your skills in your current profession (e.g., continuing medical education) are generally deductible.



Section 8: Your Taxes

Retirement Accounts

Locum tenens providers, like other independent contractors, have the option of establishing and contributing money to a pre-tax retirement account based on net locum tenens income. This is great because contributing to a retirement plan is one of the best tax shelters available to people during their working years!

There are many types of retirement accounts available, and their benefits all vary. Contact your financial adviser for help figuring out which one is right for you.

Estimated Quarterly Taxes

While not having taxes deducted from your paycheck can be a good thing (e.g., bigger checks!) it also requires some additional responsibility on your part.

Independent contractors such as locum tenens providers are generally required to pay estimated taxes on a quarterly basis. This is because the government doesn't want you to write them a big check on April 15. Depending on how much you earn doing locum tenens work, you may be required to send estimated quarterly tax payments to the IRS and the state(s) in which you live and/or work. Estimated tax is the method locum tenens providers use to pay Social Security, Medicare and income taxes when sufficient taxes aren't otherwise being paid through salary withholdings. To figure out what you owe, if anything, you will need the following:

- Last Year's Annual Tax Return
- [Form 1040-ES, Estimated Tax for Individuals \(PDF\)](#)

If this is your first year being a locum tenens provider, you will need to estimate the amount of income you expect to earn for the year. If you overestimate or underestimate your earnings, simply complete another Form 1040-ES worksheet to recalculate your estimated tax for the next quarter.

For a deeper look into paying taxes as a locum tenens provider, check out the [tax guide](#) from our sister company, Barton Associates.



Section 8: Your Taxes

Planning

The taxes you'll owe on your locum tenens income are easily manageable if you plan ahead. Here are some tips to keep in mind:

- **The "40 Percent Rule":** To be safe, it's generally a good idea to set aside 40 percent of what you earn for taxes. Remember, you'll owe federal taxes, state taxes and self-employment taxes on your earnings.
- **Submit quarterly estimates:** Take the time to calculate what you owe in estimated quarterly payments. This will help prevent the need to write a check to Uncle Sam at the end of the year. It will also eliminate or minimize IRS and state underpayment penalties.
- **Track your professional expenses:** Use a spreadsheet to keep track of your monthly professional expenses so you can easily deduct them from your income.
- **Keep good records:** When tax time rolls around, you want to make sure you have the paperwork from any significant financial events such as buying or selling real estate, starting or closing a business, or inheriting money. Also be sure to report any earnings from savings accounts or investments.
- **Take advantage of tax shelters:** Retirement accounts and health savings accounts (HSAs) are great ways to reduce your taxable income and improve your overall financial viability.
- **Consult a tax professional:** The tax code can be confusing and is constantly changing. It is in your best interest to consult a tax professional or certified public accountant (CPA) who can advise you based on your unique tax situation.

DISCLAIMER: The information provided in this guide is meant for informational purposes only and should not be considered tax advice. If you have tax-related questions or concerns, you should consult a tax professional or CPA.



Thank You!

Well, that's a wrap! From explaining what locum tenens is to understanding how pay, health insurance, and taxes work as a locum provider, you're now ready for your first assignment.

If you still have questions about anything we discussed in this guide, feel free to reach out to our recruiting team. They're here to guide you every step of the way on your locum tenens journey so that you can focus on what's most important: taking care of patients.