

The cost of inaction: What physician turnover is really costing your health system

PHYSICIAN RETENTION SHOULD BE A FINANCIAL PRIORITY, NOT JUST AN HR ONE.

Physician turnover isn't just an HR metric—it's a financial one—and most health systems have never put a number on it. A 2026 study found that surveyed healthcare organizations track physician turnover at 78%, but track cost-per-hire only 22% of the time.¹ That visibility gap is where the costs hide.

78% of organizations track physician turnover, and only 22% track cost-per-hire.

The real cost of a physician vacancy

A physician who leaves costs more than a line item. Between recruiting, lost revenue, and onboarding costs, the cost of losing just one physician averages \$1.2 million—and for surgical or other high-billing specialists, that figure can climb to several million if the position stays open for a year.² Time is a major driver of that cost: The typical physician search now takes about four months, and even longer for hard-to-fill specialties.³



119 median days
to fill a physician position



128 median days
for specialty care



140 median days
to fill a surgery role

And that's only the cost that shows up on a spreadsheet. A vacancy also puts downstream revenue at risk—lost referrals, facility fees, and ancillary services—while patients defect to competitors and remaining staff absorb the work, risking burnout that drives further turnover.⁴ Left open long enough, it can even threaten a service line's viability and the quality and accreditation standards tied to it. **The bottom line:** Losing a physician has far more financial impact than most organizations account for.

The payoff of physician engagement

With the cost of turnover being so high, it's hard to understand why physician retention and engagement haven't received more attention, but 61% of healthcare organizations don't have a formal physician retention strategy in place at all.¹

The payoff for investing in a physician engagement and retention program is clear:

- Engaged physicians are 2X more likely to stay than their less engaged colleagues⁵
- Engaged physicians are 26% more productive—worth roughly \$460,000 in additional patient revenue per physician per year^{6,7}
- Engaged physicians generate 51% more inpatient referrals^{6,7}
- Patients rate highly engaged physicians an average of 11 percentile points higher than disengaged peers⁸

Between the cost of a vacancy and the payoff of engagement, the numbers make the argument for you. Turning it into action is the next step.

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How CHG Advisory Services can help you build the case

CHG can help you build the business case for investing in physician retention and engagement in your organization and the strategy to act on it. CHG Advisory Services partners with 85%+ of health systems nationally on physician workforce strategy, informed by our own physician sentiment research and our relationships with the 11,200+ physicians we place in practice settings each year.

Request a physician retention consult with CHG Advisory Services. We'll quantify your turnover exposure and help you build a roadmap to close the engagement gap.

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Download the guide:

*Physician alignment, engagement, and retention:
A roadmap for healthcare administrators*

Sources

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