



# The Gig Economy Expands to the Healthcare Industry

Insights

7.27.17

The United States is expected to see a shortage of 40,000 to 104,000 physicians by 2030. Due to this anticipated need for primary care physicians, freelance work among the healthcare industry is becoming increasingly popular. For the longest time, temporary positions could only be obtained through brokers and agencies. But dealing with these middlemen proved to be more trouble than it was worth. For physicians, it was a lengthy and time-consuming process; for healthcare providers, it was a costly endeavor just to find interested workers.

That is why Dr. Alexi Nazem created Nomad Health, a website that connects freelance doctors to hospitals directly. Physicians can search for available gigs through various filters, including location and even which electronic medical records system they prefer. Instead of going through brokers and agencies, the parties can now negotiate their own contract, and Nomad will provide the physicians with malpractice insurance. Nomad takes a 15% cut, which is much lower than the 30-40% commission a broker or agency would take. So far, the company's services are available in 14 states, and Nazem plans to be in every state within the next year or so.

Just this month, Nomad announced it was expanding its services to nurses who are also looking for temporary work. The country has been facing a nursing deficit for several decades, and by 2025, the shortage is expected to be more than two times greater than any nurse shortage experienced since the introduction of Medicare and Medicaid in the mid-1960s. Nazem estimates that the market for temporary healthcare staff is \$15 billion, with nurses alone making up about \$7 billion. For now, Nomad is only working with Texas hospitals seeking temporary nursing positions, but it plans to eventually expand services nationwide. The company's goal is to promote "travel nursing," in which nurses who want to travel across the United States can do so while staying employed with temporary gigs.

Particularly interesting is the fact that Nomad will hire the nurses as employees and provide benefits, unlike the physicians retained through the company (and the majority of gig workers across all industries) who are considered independent contractors. It will be interesting to observe whether this split classification model remains in place or whether it will be altered in the face of legal pressure brought about by litigation.

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